INFORMAL SETTLEMENTS,
UPGRADING AND INSTITUTIONAL
CAPACITY BUILDING IN THIRD
WORLD CITIES

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1. INTRODUCTION

The majority of people living in cities in developing countries live outside of the regulatory frameworks created and imposed by governments. A category of 'informally' housed people that are particularly vulnerable and inadequately provided for in terms of physical and social infrastructure are those living in so-called informal settlements. Given the 'illegal' status of informally housed people, the role of governments has historically been one that has ranged, at worst, from the destruction of informal housing in urban areas without providing any alternative, through to some attempts at upgrading, at best. International experience indicates that informal settlement upgrading, in addition to being successful at delivering physical services and infrastructure to the urban poor, also has the potential for highly participatory development processes that imply minimal disruption of the physical and social fabric of informal settlements. Furthermore, the provision of security of tenure has been found to be a centrally important ingredient in facilitating the spontaneous upgrading of settlements by residents themselves. Critically though, upgrading has been less successful in developing the institutional capacity necessary to create the momentum for longer-term physical and social improvement of informal settlements.

This paper presents a broad overview of some of the international literature\(^1\) that attempts to improve the understanding of the nature of informal settlements, both as entities in themselves, and in relation to the broader urban context within which they exist. The breadth of literature to be covered here is intended not only to facilitate the identification of major themes in this literature, but also to provide a basis upon which to examine strategies to improve upgrading interventions in informal settlements.\(^2\)

The dominant themes which appear throughout much of the English language literature on informal or popular sector housing policy, revolve around the respective roles of the urban poor, the state, the private sector, non-governmental organizations, and international agencies. The various perspectives may be located at points along a spectrum, between a position which argues that the impoverished and socially marginalized groups in society can or should improve their material and social conditions with limited external intervention, and a contrary position which argues that it is both the role and the responsibility of the state to provide housing and social goods for the economically and politically marginalized. These contrasting approaches have their roots in different conceptualizations of what exactly it is that comprises informal settlement communities, and how settlements are understood to relate to the external environment. When viewed through different ideological 'lenses', these viewpoints are then translated into various policy positions in respect of the informal, ranging across the political and economic\(^3\) spectrum.
1.1 Complementary Perspectives: Views ‘From the Inside and Outside’

Most of the literature with a focus on informal settlements in the Third World has been written by authors located some distance away — both in body and life experience — from the day-to-day realities of these settlements. The authors of what may be described as ‘a view from the outside’ are typically researchers based in universities, and policy makers based in international development agencies and governments. Contributions from within this mainstream body of literature — whether conservative, liberal, or radical — dominate informal settlement policy debates and policy formulation.

There is another substantial body of literature that attempts to describe and explain the workings of these same informal settlements, but which proceeds from a starting point that focuses on the internal social structure of these settlements. It was this group, comprising people who have lived and worked extensively in informal settlements and who display a sensitivity to sociological and anthropological factors, that first studied and reported on the internal complexities of such settlements in an attempt to construct what is described here as ‘a view from the inside’.

Although this distinction between ‘inside’ and ‘outside’ views is simplistic, glosses over commonalities, and overlaps in issues examined, (and would probably offend the sensitivities of authors preferring to think of themselves as having an ‘inside’ view, or vice versa), it will nonetheless serve as a useful starting point for organizing the literature in an attempt to provide a synthesized and balanced picture of the nature of informal settlements.

1.2 Areas of Focus

There are four areas of focus in the literature reviewed here. First, this paper takes as its starting point the literature that goes back to what is, after all, the core of the subject at hand — the settlements themselves and the people living in them. This involves a focus on the nature and definition of the informal settlement ‘community’. An examination of the definition and understanding of the notion of this most fundamental of institutions — ‘the community’ — is central, and has fundamentally important implications for every dimension of the planning and implementation process. More specifically, what the concept means in different informal contexts will be explored in order to provide a basis for an evaluation of the nature of ‘community’, and indeed to assess whether a ‘community’ exists in the first instance. An examination of the social history of informal settlement communities and their attendant forms of social (dis)organization as well as attention to issues such as parochialism, patronage politics, perceptions, discourses, culture, kinship relations, and the tensions
between the *de facto* and *de jure* will be seen to be useful in informing a more adequate and complete understanding of the very complex make-up of informal settlements.

Second, the relationship of informal settlements to the broader urban political and economic context within which they are located will be considered. Here, the attempts to explain the origins of settlements and problems associated with the dualistic conceptualization of 'formal and informal' will be examined, in addition to literature considering settlements as a means of access to land, tenure, and shelter. Also, analyses of the roles of the various interest groups, most particularly settlement communities and the state, will be reviewed.

Third, directions or trends in the literature will be reviewed via a discussion of the historical evolution of policy and practice. This will provide the context for a consideration of the current conjuncture in which a number of major transformations impacting informal settlements have taken place at local and global levels.

Fourth, and given an understanding of informal settlements grounded in a synthesis of the above three levels, the review will focus on selected aspects of informal settlement in-situ upgrading. The nature of in-situ upgrading is, by definition, a process in which the resident populations of informal settlements, development agents, and practitioners engage in a highly interactive relationship. An issue that arises then, and which will be addressed in this overview is: how effective has upgrading been in meeting the needs of the urban poor, and in creating the capacity and momentum for future improvement? This will provide some direction for the future consideration of an approach to informal settlement in-situ upgrading and address the question of how upgrading can contribute to institutional capacity building at the levels of (1) informal settlement communities, (2) a more equitable integration of informal with formal, and (3) more effective urban management and governance. Upgrading is thus a means to the end of institutional capacity building in which 'community' is the analytical starting point, but in which the building of 'community' is only one of a number of ends within the overall capacity building problematic.

This paper is structured as follows: Section 2 traces the paradigm shifts and trends in the literature on informal settlements in order to provide a context for a more detailed examination of the nature of informal settlements in the subsequent two sections. Following some prefatory notes on methods and on the concept of 'community' as it is to be used here, section 3 examines a 'view from the inside' in an attempt to construct a picture of the social make-up of informal settlements. This provides a context for section 4 which considers complementary analyses of informal settlements, as seen from 'the outside', in which the dominant policy approaches will also be examined. The final section comprises an examination of informal settlement in-situ upgrading, and concludes with comments on
some of the central issues that need to be addressed in the formulation of policy for the upgrading of informal settlements.

2. THE CONTEXT: DIRECTIONS IN THE LITERATURE

2.1 Historical Evolution of Policy and Practice

Grounded in changes in policy orientation, there have been several major trends in implementation. These have moved from attempts to restrict the influx of people into urban areas and to prevent the growth of informal settlements, to a focus on the provision of public housing, through to the site and service and in-situ upgrading in the 1970s and 1980s. The more recent focus is on increasing access to credit, improving urban management, strengthening local government and changing city-level policy (reviewed, for example, in Perlman 1987, Palmer & Patton 1988, Hardoy & Satterthwaite 1993).

Many governments in developing countries acknowledged the inevitability of the urbanization process and attempted to make provision for the rapidly expanding urban population, which resulted in the implementation of numerous mass public housing projects in the 1950s and 1960s. Literature focusing on public housing has noted both the successful implementation of a limited number of public housing programmes (for example, Goh 1988), and on the criticism that public housing seldom accommodates the lower-income people for whom it was originally intended. Due to the fact that it is generally unaffordable to those lower-income people, they are generally displaced from locations close to their place of employment, to more remote locations (Drakakis-Smith 1981, Ward 1982, Linn 1983).

The concept of sites-and-services is commonly traced back to the ‘sites-and-utilities’ introduced by Charles Abrams (1964) in which he proposed the settlement of the poor on serviced sites, as an alternative to squatting, which he argued would otherwise occur. Notwithstanding the popularity of sites-and-services schemes with the World Bank and other donor agencies, particularly throughout the 1970s and 1980s, these schemes have increasingly come under critical scrutiny. Among the primary criticisms that have been raised include evidence that they are generally situated in peripheral locations with limited access to the urban economy, have high development costs, are often unaffordable to the lowest income groups, have highly standardized building and materials requirements, they impose limitations on income-generating opportunities for households, and often result in increased social segregation (Peattie 1982, Bamberger et al. 1982, Swan et al. 1983, van der Linden 1992).
The increased adoption of upgrading as a strategy for engaging informal settlements was reflective of a more accommodational approach in terms of which informal settlements became accepted as permanent elements of the urban fabric in developing countries. A narrow conception of the in-situ upgrading of informal settlements refers to the securing of basic health and safety through the provision of basic physical and social services, as well as the longer-term facilitation of ‘consolidation’ processes which create the momentum for sustainable improvement in both physical and Community Development terms. In-situ upgrading, which has an emphasis on settlement residents involvement in the decision-making process, also implies minimum displacement of households in the development process. A broader definition of upgrading would refer also to reversing the political, economic, and legal marginalization of settlements, and to facilitating their more equitable integration into the broader urban system of which they are a part.

The primary references within the settlement upgrading implementation arena are generally not located neatly within the dominant mainstream economic and political-economic approaches. Given the pragmatic emphasis of most of the literature here, many of these approaches are of necessity somewhat eclectic and draw from various theoretical and policy positions. The literature ranges from the technical manual-style treatment of upgrading (Davidson & Payne 1983), to the presentation of comprehensive guideline frameworks as reference points for upgrading projects informed by case study projects (Laquian 1983), through to detailed case study presentations (Pasteur 1979, von Nostrand 1982), and analyses of specific aspects of upgrading endeavours (Skinner 1987, Durand-Lasserve & Pajoni 1993).

Looking forward to future trends, the mainstream economic position remains the internationally dominant policy and funding framework, and currently finds most prominent expression in the policy statements and practices of the World Bank. The main strands of the World Bank’s policy statement for the 1990s, within which informal settlements will need to be considered, emphasize economic dimensions of urban productivity and employment both at the macroeconomic and city-wide levels. There is an emphasis on citywide policy reform, sustainability, institutional development, and investment policy (World Bank 1991), as well as on urban management and governance (World Bank 1989, 1992). Such an emphasis on the economic dimension will, however, need to be complemented with the integration of political and social imperatives into urban policy, particularly with respect to the informal.

2.2 The Current Conjuncture: Major Transformations

While international economic decline has resulted in widespread deterioration in urban living conditions in many parts of the world and an increased need for government intervention to address
the circumstances of the poor, the ability of many governments to address this widespread impoverishment has been greatly reduced by economic decline and debt crises (George 1992, Cohen 1991). Countries such as China, which have experienced particularly rapid rates of economic growth over the past decade, provide an exception to this general trend. There are, however, a number of major transformations with respect to human settlements that have impacted on most major metropolitan regions in the world, including those in China.

In this regard, there are at least five major transformations that require consideration. Perlman (1993) provides a useful description of the process of ‘global urbanization’ as it has manifested itself in at least four major transformations with respect to human settlements:

First, the trend from rural to urban is indicative of a world that is becoming predominantly urban. By the year 2000, more than 50 per cent of the world’s population will be living in cities, and most future growth in population is projected to occur in urban areas, not rural. Second, a shift in population growth rates from north to south is suggested by cities in industrialized countries facing stabilizing or even declining populations, while urban population growth in developing countries is dramatic. By the year 2000, the urban population of developing countries will be almost twice that of developed nations, and will be almost four times as large by the year 2025. Third, there is a trend from formal to informal, which is not distributed equally throughout the urban fabric. In this regard, the growth of the ‘informal city’ comprising squatter settlements, shantytowns, illegal subdivisions, or tenements in declining neighbourhoods, is growing at twice the rate of growth of the ‘formal city’ existing within the regulatory frameworks of governments. Fourth, there is an increasing phenomenon of the transformation of cities to Mega Cities. Cities are reaching sizes that are unprecedented in history. By the year 2000, there will be 23 cities with populations of 10 million or more, as compared with only one city of that size fifty years ago. Eighteen of these mega cities will be in developing countries (Perlman 1993:19-21).

The context for these changes is provided by a fifth major transformation that is currently underway. The process of ‘globalization’, which refers to the increased integration in various parts of the world to a global financial, political, and cultural system, has been argued to be one of the major structural trends of the current period. The increased sophistication and accessibility of transportation systems and technology, particularly information and telecommunication systems such as telephone, fax, computer networks using satellites and fibre optics, have facilitated the rapid integration of various parts of the world economy. In this regard, the global economy has been argued to be: "...an economy that works as a unit on real time on a planetary scale. It is an economy where capital flows, labour markets, commodity markets, information, raw materials, management, and organization are
internationalized and fully interdependent throughout the planet, although in an asymmetrical form, characterised by the uneven integration of different areas of the planet" (Castells 1992:5). At least three points are of significance here. First, at the urban level there is the emergence of ‘global’ or ‘world’ cities. Not only do these global cities perform a dominant role in national economic development processes, but they are also reflective of a restructuring of economic activity which has involved the decline of manufacturing industries and the growth of financial and business sectors. In addition, the development of major metropolitan areas with ‘world’ or ‘global’ city status is significant as these cities — which function at the intersection between national and international markets — not only perform a dominant role in the coordination of global financial markets and service sector activities (Friedmann 1986, Mollenkopf 1993), but also to exhibit a capacity for global control (Sassen 1991).

Second, although these cities vary in scale, city structure and spatial layout, they are undergoing a process of transformation. For example, the increasing phenomena of suburbanization and deconcentration have created a more polycentric form of metropolitan development (Gilbert 1993), and extended metropolitan or mega-urban regions (McGee 1989) with a very high degree of mobility of people and goods. Third, and associated with this restructuring process, is the issue of the uneven integration of different areas in terms of access to the highly integrated and internationalized system (Castells 1992, Sassen 1991). This uneven integration gives rise to a situation in which social inequality and the gap between regions is increasing. While there are numerous benefits associated with ‘world city’ status and the development of high economic growth sectors of the economy, there are also numerous costs. Social polarization, increased inequality in income distribution, spatial segregation, differential access to urban resources, and increased environmental degradation may occur in parallel with the process of economic restructuring. In this context, the term ‘globalization’ is somewhat deceiving since it is not the global economy as a whole that is becoming increasingly integrated; rather, it is the ‘formal city’ which is effectively linked into international economic and financial systems, while the ‘informal city’ is not.

The link between these problems and the process of globalization is highly contingent upon the specifics of the urban, social, and political context of the global cities under examination, and the consequent form and degree of state intervention designed to address those problems (Dieleman & Hamnett 1994). Of primary interest here — with regards to the increasing scale of the ‘informal city’, increasing inequality, and differential access to technology and urban resources — is the situation in which some regions lose functional connection to the ‘dynamic world economy’. They then enter "...a downward spiral of dramatic human suffering and threatening social consequences for the stability of the global system as a whole ... the spatial concentration of this misery takes place most openly in the squatter settlements and slums of dependent societies’ megacities" (Castells
Taking a step back, and in order to provide a context for a discussion of alternative strategies to engage these settlements in the final section of this paper, it is to a more detailed consideration of the nature and characteristics of informal settlements that the discussion now turns.

3. A VIEW FROM THE INSIDE

Regarding the local-level nature of case studies that form the basis of the perspective presented in this section, one of the classic anthropological studies of informal settlements,\(^5\) *The View from the Barrio*, is prefaced with an acknowledgement that while there is a tendency on the part of anthropologists to think small, "...there is an element of the ridiculous in this procedure, like a child trying to understand a dinner party by sitting under the table. But there is something to be said for it as well. The conceptualizers and planners have to operate on a large scale...but in the end, all these generalizations and plans are summaries of what individual human beings are doing with themselves or will be doing in the future...this is an attempt to take a look at some large-scale social processes from the bottom, working out from a single case. It might be called an ethnography of urbanization and economic development" (Peattie 1968:1-2). Although such an approach has been widely used in the context of Third World development initiatives (see for example, Cernea 1991, Salmen 1983), it has been the subject of much debate around the normative questions of whether such research should be directed toward contributing to academic disciplinary knowledge, or toward solving practical problems. In particular, the capacity of researchers to 'represent' the interests of the subjects of research has been questioned (Atkinson & Hammersley 1994:252-257), in addition to the suggestion that the research process itself should try to integrate the emancipatory agendas of the subjects of inquiry — as in participatory and action research (Tandon 1981, Brown & Tandon 1983, Brown 1986).

The study of social phenomena in their historical context needs to involve reference to historical documents, written records of the past, popular literature, popular culture documents, but also needs to recognize that stories that tell history are always biased as they represent reality from the perspective of those articulating that history. Representation is not simply referential, but always speaks for 'us' or for 'them' in the context of differential access to power. "Written history both reflects and creates relations of power. It's standards of inclusion and exclusion, measures of importance, and rules of evaluation are not objective criteria, but politically produced conventions"; there is no single standard by which we can identify 'true' historical knowledge. Rather, there are contests, more and less conflictual, more or less explicit, about the substance, uses, and meanings of the knowledge that we call history. This process is about the establishment and protection of hegemonic definitions of history (Scott 1989:681). Speaking for 'us' or 'them' (however those
categories are defined) applies not only to those articulating their history, but also to the ‘montage’ that is constructed in any research exercise and which is reflective of the external researchers’ interpreted representation and construction of that history (Tuchman 1994). Debates about whether the perceptions as articulated, for example, by informal settlement residents are an accurate reflection of ‘truth’ are of less consequence than the fact that the stories reflect peoples’ perceptions of reality, and therefore inform their norms, social institutions, and actions within that perceived reality.

3.1 ‘Community’: Some Initial Concepts

At the simplest level, community can be defined in terms of a collection of people in a geographic area having a particular identifiable social structure, exhibiting some sense of belonging, community spirit, or consciousness. However, given the complexity of the concept, there is little consensus among sociologists or anthropologists of a common definition of the term. Although not focusing specifically or exclusively on informal settlements, some of the earlier and more significant contributions in the vast literature on community provide some useful insights and direction for the discussion below, as these contributions have informed many of the contemporary authors’ approaches and orientations.

The tradition of constructing typologies can be traced back to writers such as Confucius, Plato, and Aristotle. The typological tradition in more contemporary sociology is often traced back to Ferdinand Tonnies, whose *Gemeinschaft und Gesellschaft* is often referred to as a predecessor to the works, inter alia, of Weber, Durkheim, Becker and Redfield, who developed type construction as a tool for the analysis of social systems. The relationship of *gemeinschaft* and *gesellschaft* to the law provides a useful insight into understanding the relationship of informal settlement communities to the regulatory framework imposed by the state in contemporary times, and specifically the *de facto* alternatives created by these communities. The *gemeinschaft-like* organization is argued to be based on customs and sets of social relationships that, from the standpoint of the members of the *gemeinschaft*, possess eternal truth whose binding force is permanent. The law of the *gemeinschaft* involves the control of the whole over its parts, and so the interests of the family, village, or town always come before those of the individual. Conversely, the form of law typical of the *gesellschaft* exists independently of superstition, faith, and tradition, and is more rational and scientific. Its stated purpose is to uphold the rights, duties, and obligations of the members of the *gesellschaft*, and the members of the *gesellschaft* abide by the law because it is in their interests to do so (Tonnies 1957). However, when individuals perceive the law not to be structured to serve their interests, then a breakdown of *gesellschaft*-type organization occurs in which the control of the whole over the parts
disintegrates, and the parts assert a degree of autonomy via the development of alternative forms of order.

Whereas Tonnies' analysis of community and social structure proceeded on the basis of the identification of clusters of traits believed to be associated with different types of communities linked with the concepts of gemeinschaft and gesellschaft, Robert Redfield's anthropological constructed type of community life in rural Mexico (1941, 1955, 1956), examined the changes that he argued would occur as communities underwent the transition from rural (folk) to urban. Without entering into the details of Redfield's folk-urban continuum which have been the subject of much debate and criticism (reviewed in Poplin 1979: 141-142), aspects of his description of community-level change are instructive. More specifically, the basic concepts of the transition from cohesive well organized 'communities' through to cultural disorganization, secularity and individualism are useful — particularly in the context of explanations for their emergence as provided by Leeds (1994) — and will be discussed below.

Insights may be derived from a perspective that challenges idealized conceptions of elements of society or 'community', which focuses simultaneously on the different elements of society, and on the nature of their integration and articulation with each other. In so doing, it is not necessary to rely on "...postulating a minimal or maximal unit of organization like 'the community', nor arguing about its ontological status. We need only develop adequate and relevant tools to deal with its empirical description" (Leeds 1994:215). Central to the formulation of the concept of 'community' presented by anthropologist Anthony Leeds (1994), is the concept of locality.

Leeds' analysis is grounded in the argument that a threefold specialization exists in society, each aspect of which is both partially independent and resultant upon the others. A first form of specialization is that of localities which, in the context of human geographic distributions, refer to "...sensorily distinct loci of settlement characterized by such things as more or less stable aggregates of people or inventories of houses, generally surrounded by and including relatively empty, though not unused, spaces" (Leeds 1994:214). Thus, a city, a town, a mega-urban region, a village, as well as visually distinct sub-areas of urban areas such as informal settlements, fall under this definition. Localities comprise nodes which are points of the greatest density and widest variety of human behaviours in relation to the space in between them and the next locality; the precise nature and extent of which is an empirical question rather than a theoretical or definitional one. A second form of specialization is that of the components of technology which include tools, materials, techniques, housings, activities, labour/skills, and knowledge which also inform the economic and social ordering and differentiation in society. A third form of specialization is that of institutions, which refers to the
separating out by function of more-or-less autonomously ordered and chartered ways of doing things, ranging from large scale orders such as government, church, and education, to smaller scale institutions such as roles (Leeds 1994:53). The role of culture in shaping the institutions, and the interaction between locality, technology, and institutions is central. This interaction will ultimately be reflected in the nature of the fabric characterizing the urban instance under examination.

Regarding change, it is noted that rather than understanding change in terms of a formalistic transition from 'folk to urban' as in Redfield's continuum (Redfield 1941:345-357), Leeds' framework explains change in terms of the interaction between locality, technology, and institutions. As the three forms of specialization interact, social orders themselves become increasingly differentiated. The impact of change in terms of differentiation may be reflected at a number of levels: first, a 'community' undergoes a process of cultural disorganization. This implies a degree of loss of cultural unity, an increase in the number of choices available in terms of behavioral patterns (the acceptability of which are defined by a different set of normative rules), a decrease in the degree of interdependence of the different elements of the culture, and finally, the process of disorganization often entails conflict within what was previously a unified social entity. Second, as part of the process of change, communities become more secularized. This involves people's actions becoming increasingly guided by considerations of individualistic expediency and rationality, and less frequently defined by the norms and 'community-wide' interests around which residents previously cohered. Third, the extent to which individualism becomes the defining characteristic of people's behaviour increases significantly. Whereas people's behaviour was previously strongly influenced by considerations such as the implications for family and the community as a whole, this change is toward an increasing preoccupation with the individual's own priorities.

The concepts of locality, integration, technology, and institutions will be further developed as themes in the sections that follow in which a picture will be constructed that describes the characteristics of informal settlements as localities which have limited access to urban resources and which are characterized by increasing social differentiation. Moving on to the literature with a specific focus on urban informal settlements, various dimensions of informal settlements will be examined. Bearing in mind the wide diversity of informal settlement contexts and internal constitutions, this section will extract some characteristics and themes in the literature on informal settlements, as well as highlighting differences where they are evident.
3.2 ‘Slums of Hope’ and ‘Slums of Despair’

The classification of ‘slums of hope’ and ‘slums of despair’ was first used in reference to ‘slums’ in First World countries. It was argued that ‘slums of hope’ had the capacity for social improvement, and could integrate themselves into the broader society of which they were part, whereas the ‘slums of despair’ were inhabited by socially negative and aggressive people who were a threat to each other and to the broader society (Stokes 1962). These themes repeat themselves throughout the literature on informal settlements and will be seen to have very different implications for the proposed role of governments in respect of development interventions.

Slums of Hope

In a systematic engagement of conventional negative ‘wisdoms’ about informal settlements, a positive picture of informal settlements has been painted in which it is argued that at the social, cultural, economic, and political levels, the residents of squatter settlements "...have the aspirations of the bourgeoisie, the perseverance of pioneers, and the values of patriots. What they do nor have is the opportunity to fulfil their aspirations" (Perlman 1976:243). More specifically, socially, the squatters are generally argued to be quite well organized and cohesive. Culturally, residents of informal settlements are highly optimistic and aspire to better their lot in life, by working toward providing a better education for their children, and improving the condition of their houses via spontaneous upgrading. Economically, they are hard working and productive; they not only build their own houses but also the overall informal physical and social infrastructure. Politically, they are neither apathetic nor radical, although keenly involved in the aspects of politics that directly affect their daily lives. Furthermore, in her studies of informal settlements, Perlman found signs of radical ideology, or propensity for revolutionary action to be absent (Perlman, 1976, 1987).

The positive aspects of the residents of informal settlements are also clearly articulated by John Turner (1965, 1968, 1976, Turner & Fichter 1972) who, together with anthropologist William Mangin (1963, 1967a, 1969), argued in support of facilitating the development of the creative potential of the shack dwellers. This position was rooted in a conception of informal settlement residents as creative, innovative, and effective producers and controllers of large components of the housing process. It is argued that this dynamism is inhibited and frustrated by governments. The positive dimension in respect of traditional neighbourhood organizations — such as the Indian viskas parishads — which involve themselves in environmental improvement (Clinard 1966), provide confirmation of the positive angle which reinforces the notion that marginalized communities are able to mobilize their own human and material resources with a view to physical and social improvement.
According to this perspective, the poor know their own needs far better than government officials, and given adequate support, will build housing that caters to people’s needs far more adequately than government housing projects could ever do. The poor are, furthermore, seen to be highly resourceful, and to make more efficient and effective use of the very scarce resources which they have access to than would be possible if they pursued conventional highly (and inappropriately) regulated approaches. Given the relationship between home living and work, which are conducted in the same building or at least in close proximity to each other, the builders of ‘popular housing’ are in a more favourable position to improve their economic situation via, for example, opportunities for training and income-earning activities, than they would be in the context of conventional state-initiated mass housing estates.

Slums of Despair
Aside from his critique of Redfield’s folk-urban continuum, Oscar Lewis provides some further useful insights into the question of the perpetuation of poverty in informal communities. Lewis’s controversial ‘Culture of poverty’ thesis argues that the persistence of poverty is at least partially attributable to the culture of the poor. This theory does not explain why poverty exists in the first instance, but rather attempts to explain its persistence. The argument is that their culture enables the poor to survive under great duress, but at the same time perpetuates that poverty. The poor seldom maintain their jobs for very long, and the little they earn is spent on necessities, while anything left over is spent on luxuries shared with others. People ‘live it up’ when times are good in the expectation that tomorrow will be bad. Given that most people become fatalistic about their position in society and thus their lot in life, they seldom invest in ways that would raise future incomes.

Human relationships are fragile, as are traditional units such as the family, making it difficult to pool resources for mutual benefit. Childhood is brief and education is minimal. This way of life is passed on from generation to generation and becomes a self-perpetuating phenomenon, a vicious circle from which it is argued to be difficult to escape (Lewis 1970). This thesis has attracted considerable controversy, having been widely criticised, particularly by those (Leeds 1971, Griffin 1978) who interpreted the thesis as implying that the poor are to blame for their own poverty.

However, in an anthropological study of a poor urban locality in Jakarta, Indonesia, conducted over a fifteen year period (Jellinek 1991), considerable evidence was found to support both the elements of the ‘culture of poverty’ thesis as described above, and the radical perspective as articulated, for example, by Gilbert & Gugler (1992), which argues that the political and economic structures in society constrain the ability of the poor to escape from the poverty cycle (also Peattie (1968:136-141)). This latter perspective argues that the poor have the initiative, ability, and desire to improve their position, but are constrained by the economic and political structures of society. The insecurity associated with their jobs and incomes makes all other aspects of their lives vulnerable. Even those
who have regular jobs receive so little income that they are barely able to pay for their basic daily needs, let alone save or invest for the future. They are consequently priced out of education, homes, and amenities. Their informal enterprises are destroyed by larger capital-intensive firms, and their low-cost self-built communities are forced to give way or are destroyed in order to give way to large scale formal developments which accommodate higher income groups. The lack of resources prevents them from adequately educating their children, and the few who do still find that their children lack the necessary capital, contacts, or confidence to get secure, well-paid jobs. The lack of an adequate and secure income reduces their mobility and reinforces their restricted view of the world, compounding their lack of awareness of alternative choices and opportunities which, even if they were aware of them, would be beyond their reach. The poor are thus argued to become trapped by the structure of society, from which few are able to escape (Jellinek 1991). Which of these two theories, or which elements of both, is valid, has significant implications for the planning approach that would be most effective in engaging urban poverty in informal settlements.

3.3 'The Best and the Worst'

Building on the concepts introduced in the sections above, this section explores the literature which emphasizes the complexity of informal settlements, and which constructs a picture of both the 'best and the worst' of urban life for settlement residents.

Some of the most commonly cited literature examining informal settlement 'communities' (Mangin 1967, Turner 1965, 1968, Peattie 1968, Laquian 1969, Perlman 1976) was written during a period of intense hostility on the part of many governments toward informal settlements and to an extent represented an attempt to counter the prevailing myths and negativity in respect of people living outside of the state's regulated frameworks. This literature has led to an overly idealized and somewhat romantic notion of the unity and cohesiveness of informal settlement 'communities', although this is a comment more in respect of citations of these earlier works, rather than of their specific content. In order to understand the mechanisms and dynamics that socialize people towards certain behaviours and social relationships, it is necessary to examine some of the literature that elucidates the nature of leadership, organization, and institutional relationships in informal settlements.

In the Barrio Magsaysay in the Phillipines, the simplistic and negative conception of slums which implied that they should be destroyed was challenged by some scholars who argued that to people living in the Barrio the slum is home; a unified, intimate, and comfortable 'community'. It was argued furthermore that slums reflect the best and worst aspects of the urban world: "On the positive
side, they have a closely knit society characterized by face-to-face relationships which provides them with personal and psychological security amidst the bewildering complexity of the city. Life in the slums is more warm, people know each other, they assist each other in many traditional ways, and above all, it is cheaper than living in apartments or other middle class environments. On the negative side, slums are also continually troubled by criminal elements that get attracted to them, they are run down and dilapidated, which often poses direct hazards to health and even physical well-being” (Laquian 1969:198).

Lisa Peattie, in *The View from the Barrio*, constructs a similarly complex picture of the resident population of a barrio in Venezuela which, while not characterized by anomie or social disorganization, was also not a closely knit ‘community’. Although a great deal of ‘community’ consciousness was evident, it was not matched by social cohesion (Peattie 1968). Significantly, while there may be a strong sense of identity or ‘community consciousness’, this consciousness often exists in relation to other settlements or external interest groups, rather than in terms of strong internal organization and cohesion.

At the level of individuals, the few prominent leadership individuals who dedicate much of their time to community organizing are not unlike William H. Whyte’s (1956) "Organization Man" insofar as their lives are dominated by the organization they work for and they adapt their entire existences to revolve around that organization, and ostensibly therefore, also around the broader settlement. However, they differ from Whyte’s "Organization Man" in that the organization in whose interests they orient their activities is based in the settlement locality, and therefore their roots remain in the settlement, as do their friendships and their extended families.

Settlement patterns and social relations may also be highly varied in relation to different forms of de facto tenure (Leeds 1979), but these patterns are nonetheless susceptible to disruption by state or development interventions which imply changes in these land ‘ownership forms’. At a local level, organization in informal settlements can take a variety of other forms, for example, people may cohere around institutions such as the extended family or churches; secondly, organization may be in areas in which there are common interests such as around scarce resources like water; and thirdly, organization may take place around problems such as external threats. Moreover, organization, to the extent that it exists, is often issue-based. These issues may be negative — for example, organization in the face of extreme threats such as eviction, settlement demolition (Laquian 1969:88), or attack from political adversaries (Byerley 1989, Ruiters & Taylor 1991, Hindson & Morris 1994). In the absence of such extreme threats, levels of organization often diminish and resident populations operate as a disparate aggregation of individuals whose social relationship to the rest of the resident
population of which they are part is defined by their location in the power hierarchy within the area. Conversely, issue-based organization is sometimes around positive events: fiestas (Laquian 1969), land invasions (Ray 1969:31-48), or in relation to development interventions (but which in turn can lead to competition and conflict over the injection of scarce resources into resource-deprived areas (Cross et al. 1988). These instances of organization are generally short-term and transitory, rather than continuing as a sustained longer-term process.

Actions and organization oriented toward furthering the 'greater social good' are also the exception rather than the norm given that there are "...few issues which bear equally on everyone to make them matters, strictly speaking, of 'community interest'". In the La Laja barrio in Venezuela, for example, "...water came closest to being such an issue." (Peattie 1968:67). Notably, in areas such as water, health, and education (which are areas of 'community' wide interest) it is usually women who initiate and pursue activities oriented toward 'community' benefit, despite their marginalized position in communities.

For those at the bottom of the power hierarchy (and therefore material and social well-being hierarchy), daily existence is driven by imperatives focused on meeting basic survival needs. As people are located further up the hierarchy, their activities also reflect attempts to improve material and social well-being, and they are more successful given the access to greater economic wealth, and political connections and patronage (Schmidt, et al 1977). Within an informal settlement then, unequal access to resources militates against the development of a cohesive 'community', as hierarchies develop and inequality increases.

The root of the weakness of organization relates to access to resources: the effectiveness of an organization with poor access to resources is very limited, particularly in terms of longer-term organizational capacity. Ultimately, then, no matter how well organised settlement residents are, unless that organization is linked to the de jure institutions of power — such as local government — then it becomes "...ritual, powerless to effect action" (Peattie 1968:67). It is to the question of that integration (or lack of integration) and access to resources within the urban system that the discussion now turns.

### 3.4 Integrated but Marginalized

A major debate regarding the informal sector revolves around the dichotomization of formal and informal. The informal is often treated as something separate and different from the formal, it may be countered that "...settlements cannot empirically or theoretically be understood unless they are
looked at as parts of a larger system and as products of the operation of the system" (Leeds A & Leeds E 1970:230). Or more simply put, "...the two worlds are integrated within one system" (McGee 1979:2).

Before considering the nature of some of these linkages, it is important to note that the integration of informal settlements into the urban fabric is such that "...urban squatters are not marginal but integrated into the society, albeit in a manner detrimental to their own interests. They are not separate from, or on the margin of the system, but are tightly bound into it in a severely radically asymmetrical form" (Perlman 1987:187).  

More specifically, it is noted that the informal exists in a marginalized and dependent relationship with the dominant formal: "...the social institutions within the barrio lead out to, are part of, social institutions in the city and in [the country] as a whole, and their functioning within the barrio is conditioned by that dependence" (Peattie 1968:55). This position of weakness is reflected, for example, in the nature of connections to formal housing markets (Perlman 1987:189), the low incomes secured by workers and enterprises operating from within the informal sector, and the vulnerability of informal economic enterprises in response to economic downturn (Jellinek 1991).

Regarding kinship networks, these are generally highly flexible and oriented around family or household units and networks which extend beyond settlement boundaries. However, the notion of 'community' in which everyone knows everyone else within the settlement seldom exists. First, there are often high levels of mobility, with people constantly moving in and out, and second, residents of settlements all have connections (economic, kinship, social) with people outside the informal settlement. So, each person's field of social relations includes part, but not all, of the barrio, the proportion being linked to age, length of residence, economic role, and number of kin. At the same time, each person's field of social relations spreads outside of the barrio, some to a greater extent than others (Peattie 1968:40, Lomnitz 1978, Leeds A & Leeds E 1970).

The high levels of economic integration into the urban economy, as well as kinship links into the broader urban fabric, can be contrasted with the lack of political integration. Not only is social organization generally parochial and inwardly focused (Laquian 1969:89-95, Peattie 1968), but informal settlements are isolated from mainstream political activity with the consequence that the ability to secure government response to material or political demands is extremely limited (Ray 1969:161-179). However, in representative 'democracies' where the strength of settlement populations acting as a group holds the balance of power at election time, official mainstream politicians are more likely to respond, on a sporadic basis, to settlement residents' demands in exchange for votes.
Settlement residents are aware of the fragility of their status. In the same way that settlements themselves are permitted by the state to exist, organization develops and continues to exist only to the extent that the state and other hegemonic groups allow it to develop, which is only for as long as it does not represent a serious challenge to the status quo. While illegal settlers may enter into negotiations with government in an attempt to secure their status (Peattie 1990), as soon as a settlement or organization represents a threat to the status quo, it may come under threat in the form of elimination of leadership, or the threat of eviction or removal.

Despite their marginalization in terms of access to the power and resources controlled by de jure institutions, informal settlement communities are often able to remain resilient in a hostile environment. In this regard, the "...very flexibility and looseness of organization, its unchartered and unspecified complexity, permits it a wide range of responses to an almost infinite variety of events, contexts, and exigencies. Its flexibility permits rapid mobilization of its social and economic resources for different ends and in diverse forms, often under the most extreme stress, in a way not achievable by any other system of organization. [Ultimately though], it is limited only by the extent of the total available resources in land, material, personnel, and finances" (Leeds 1994:217). Put differently, a squatter leader (Oriel Monogoaba, quoted in Stadler 1979:19) comments: "...the government is like a man who has a cornfield which is invaded by birds. He chases the birds from one part of the field and they alight in another part of the field.....we squatters are the birds. The government sends its policemen to chase us away and we move off and occupy another spot. We shall see whether it is the farmer or the birds who get tired first...".

### 3.5 The Wheel of Fortune

A revolving 'wheel of fortune' provides a useful metaphor in which the urban poor see their lives as sometimes being on top of, and sometimes underneath, the wheel, but ultimately: "...we come into the world with nothing and we leave with nothing" (an Indonesian kampung dweller quoted by Lea Jellinek 1991:181).

The exercise of power by de jure institutional forces such as the state, and property developers in particular, ultimately dictates the bottom line: whether or not the informal settlement will continue to exist and if so, under what conditions, or if not, when and how it is to be destroyed. There is little social or political organization that can withstand the power of these hegemonic groups. The prospects for survival lie in alliances with influential politicians and patronage relationships with dominant groups, although these often lead to the co-option of leadership (Ray 1969).
Within settlements, sometimes the overwhelming impact of negative forms of power (dominative and exploitative), and poverty (as in the culture of poverty thesis and the structuralist argument above), may be reflected in social disintegration, similar to aspects of social disorganization occurring as part of the process of the interaction between the locality, technology, and institutions described earlier. This social disintegration involves the breakdown of institutions around which the resident population historically cohered (e.g. cultural norms, as well as family, church, school), the breakdown of social norms, such as the order and discipline imposed by those institutions, as well as gemeinschaft-type kinship ties and supportive social relationships. These changes are not simply a function of the nature of the informal, but are rather associated with the nature of the interaction between formal and informal.

Associated with these changes are the replacement of traditional social relations with alternative (sometimes complementary and sometimes competing) sets of social relations, forms of order, and mechanisms whereby power is exercised within and between ‘communities’. In this regard, analysis needs to move beyond superficial analysis of ‘popular’ literature which paints a picture of anarchy and disorder, to an understanding that one form of order is being replaced by another form of order. In this regard, the culture of violence in many informal areas in South Africa in the 1980s (Byerley 1989, Bank 1991, Polaow-Suransky 1992), the development of alternative cultures of order and power relations in inner cities (Anderson 1990), and the inversion of judicial and family authority hierarchy via the dominance and control of communities by ‘the youth’ (Seekings 1992) are examples of such emergent or alternative forms of order.

The picture of the internal fabric of informal settlements then, ranges. There is a very positive one, in which tight social networks, individual and group cooperation, unity, intimacy, high levels of personal interaction, security (defacto), personal relationships, and strong flexible organization are dominant. There is also a more balanced picture in which settlements are reflective of both the "best and the worst" elements of urban society in which there is a complex layering and blending of the positive and negative, which changes over time, and which varies from settlement to settlement. Settlements are subject to both political and economic forces originating from the institutional locus of power, but are resilient in the face of that power and, sporadically, are able to assert their own organized energy into the political and economic system of which they are part.

4. A VIEW FROM THE OUTSIDE

The focus in this section is on the understanding of the nature of informal settlements as presented by analysts whose observation points are primarily located at bases external to these settlements. A
review of these contributions will complement the perspectives already presented and will serve as a context for the respective policy positions to be discussed below.

It will be seen that the focus of the literature here is primarily on the relationship of informal settlements to the external context within which they are located. The examination of the internal social make-up of informal settlements will be superficial, if there is any such examination at all.

4.1 A Blight

The conventional ‘wisdoms’ about informal settlements, more dominant in the past, but still prevalent today, are that they are "septic fringes" and "cancerous growths" which the authorities would do well to completely eliminate. These "Myths of Marginality" describe informal settlements as being inhabited by people unable to adapt to the urban setting, associated with crime and prostitution, family breakdown, social disorganization, maladaptive rural behaviours, and being parasites on the economy, draining it of its vital resources and contributing nothing in return. In addition, they are presumed by left and right alike to pose a threat of violence and radicalism as their frustration at the wealth around them has the potential to turn to anger and violence against the political system.

Rooted in earlier arguments that settlements comprise "human flotsam and jetsam", who inhabit the "...‘tin can cities’ that infest metropolitan centres of every developing country from Cairo to Manila" (Lerner 1967:24), are current perspectives which describe a picture of anarchy and disorder in informal settlements (Kaplan 1994). Although these perspectives have been discredited in much of the literature discussed in the section above and to be reviewed in this section, these negative attitudes are still reflected in the hostility of some government practices (if not in policies), in which the bulldozing of settlements remains a common practice.

4.2 Genesis and Continued Existence

In spite of the heterogeneity and diversity in processes in different countries, there are some common themes in terms of the genesis of the informal process.

First, at the broader international level, the genesis of the informal sector is linked to the impact of globalization of economic forces. For example, international competition is such that producers vie with each other to reduce labour costs in a downward spiral. However, the nature of the industrialization process in many Third World countries is such that the social and economic
conditions forbid the enforcement of standards previously set by governments, and the international economic downturn since the 1970s has forced people to accept whatever ways out of their poverty they can find (McGee & Yeung 1977, Lustig 1990).

Second, attention has been given to the reaction of firms and the unemployed to organized labour ‘aristocracies’ in which the informal sector has provided both cheap labour and inputs into the production process, with the implication of undermining the power of organized labour (Brusco 1982, Sabel 1982 cited in Portes & Castells 1989). By moving into the unregulated sector and thereby ‘escaping’ from state regulation of the economy (in terms of taxes and social legislation, as well as production and exchange of licit and illicit goods), the politically and economically disenfranchised are in some instances able to create a space for themselves in which to operate with greater benefit to themselves, while in other instances they do so because they have no alternative (Peil 1976). For socially marginalized groupings, the informal represents an alternative to the de jure political dispensation. In terms of de jure structures that are not representative of the interests of the socially marginalized, and are detached from the communities on the ground, de facto social relations provide an opportunity for local level control over daily lives.

The survival and persistence of informal settlements have also been examined from the perspective of how the informal sector is located in relation to the political and economic structures of society. While the precise form that initial settlement takes varies, it could include expansion and densification of tenant occupation of land via ‘shackfarming’ (Hughes 1987), purchases of land from property developers (Doebele 1973), land invasions (Gilbert 1981, Mabin 1988, Rogerson 1989), and land allocations by politicians in terms of client-patronage relationships (Gilbert 1990). Informal settlements have not only been tolerated and permitted to exist, but in various ways, have been argued to serve the interests of the state and capital (Ward 1982). The private sector is argued to benefit in that the accommodation of workers in informal housing represents a subsidy to employers who are obliged to pay workers lower subsistence wages than would be the case if workers were accommodated in more expensive, formal housing (Burgess 1982). Also, the large ‘reserve army’ of labour accommodated in informal settlements adds to downward pressure on wages, and provides an adequate labour supply for the formal capitalist sector when needed. Finally, the existence of such large informal income earning opportunities allows governments to cut down on social welfare investment directed at the urban poor. In response to pressure to increase expenditure on collective consumption items such as housing, the state has attempted to displace responsibility for the provision of these items onto the poor themselves (McGee 1979, Burgess 1982).
Conversely, there are a number of risks associated with permitting irregular settlements to exist and expand in an uncontrolled fashion. The 'illegal' settlement process can work negatively for groups who previously benefitted from it if, for example, the political complexion of government changes, or if land invasions get out of control. In such instances, the state will act to prevent further settlement growth and may eliminate settlements that represent a serious threat to its continued hegemony (Cole 1987, Gilbert 1990). A further risk is that uncontrolled damage to the physical environment represents a threat, not just to the sustainability of the urban system, but to the broader global system as a whole (Hardoy & Satterthwaite 1989:179-221, Hardoy et al. 1992). Government interventions are generally motivated by health rather than environmental considerations, and even then, are often confined to attempts to address water- and sanitation-related problems.

4.3 The 'Informal' Part of the Formal/Informal Dichotomy

Across the left-right political spectrum, informal settlements exist within a context which is often conceptualized in terms of an 'informal/formal' dichotomy. Rather than describing the changes in content and focus of the dominant approaches in the so-called informal sector debate (for a particularly clear overview, see Rakowski 1994), this section will briefly address some of the implications of this dualism for the habitat dimension of the informal.

In the modernization tradition, the transition from a 'traditional' to a mature industrial society, has an accompanying process of 'cultural modernization' which implies the breaking down and replacement of traditional values and social relationships with North American and European value patterns. In these terms, 'modern' and eurocentric values replace the 'traditional', individualism replaces communalism, social status becomes determined through formal education rather than traditional inherited hierarchy, extended family and kinship patterns are replaced with relationships determined by individualism and the nuclear family, and communal land rights are replaced with transferable private property rights (Hozelitz 1960, Kuznets 1973). These changes advocated by modernization theorists are not unlike the manifestation of changes described in Tonnies' change from gemeinschaft to gesellschaft-type relationships, although the causes and precise form are different and context specific.

Consideration of the nature of the 'informal sector' assumed increased prominence following the ILO's 1972 report on Kenya. Following this, there was considerable debate centering on the problems of definition and quantification of informal sector economic activities, economic regulation (deSoto 1989), the implications of a 'legal/illegal' dichotomy (Hardoy & Satterthwaite 1989, Gilbert 1990), and on the colonial roots of this dualism (Leaf 1993b). However, despite extensive empirical
evidence which illustrates that comprehensive economic integration and linkages exist between formal and informal (Lomnitz 1978, Moser 1984, Perlman 1976), notions of economic dualism have been pervasive throughout development literature across the left-right spectrum (Bromley 1979), and continue to dominate (Rakowski 1994, Peattie 1987).

Problematic in this regard is that informal settlements have, more often than not, been treated as entities in themselves, and as somewhat ‘separate’ and distinct from the formal urban areas of which they are part. This is rooted in different conceptions of what precisely it is that constitutes ‘formal’ and ‘informal’. The implications of this theoretical dualism or dichotomization are either that separate policies are formulated for formal and informal areas respectively, or, where no policy exists for informal areas, policies originally designed specifically for the higher income formal areas are uncritically applied to informal areas. When this policy is translated into practice, it serves to further reinforce the marginalization of informal settlements in terms of access to resources and power.

Some authors have argued that emphasis on attempting to clarify the term ‘informal’ is not a particularly productive enterprise, and effort should be expended understanding economic institutions, and the way these institutions interact as a way of informing the policy issues or problems to be solved (Peattie 1987:858). Another approach to this problem has been an attempt to move beyond a rigid dichotomized view of the informal, via the concept of ‘informalization’ which attempts to explain the informal sector as a fluid and ever-changing process, rather than as an object. This draws from Castells & Portes’ (1989) ‘informalization’ concept of the informal economy, but could be extended to be inclusive of the other — political, spatial, physical, legal — elements of the urban environment, and thereby synthesize many of the contributions in those arenas. Here, the existence of the informal is defined by its relationship to the formal, which in turn is characterized by institutional regulation. Conversely, the informal is unregulated by the institutions of society, but is nonetheless highly integrated in a broader environment in which similar activities are regulated. The informal is multi-dimensional and may include income generating economic activities, the production of informal housing stock (Ward 1982, Mathey 1992), the production of informal land transfer markets (Gilbert 1990, Smart 1986), and the establishment of de facto leadership and authority structures (Minnaar 1992, Dauskardt 1991).

Institutional boundaries, frameworks and processes — which are themselves social categories and are subject to constant change — are crucially important. Any change in the institutional boundaries of regulation of activities produces a parallel realignment of the formal/informal relationship. In a situation with no regulation at all (in an idealized market economy), all activities would be performed in a manner referred to as ‘informal’. At the other extreme, the more a society institutionalizes its
activities following collectively defined power relationships, and the more individual actors try to escape this institutionalized logic, the sharper the divide between the two sectors. Although most people engaged in informal economic activities are poor, informal economic processes cut across the entire social structure. It is a sector comprising a majority struggling for survival at the one extreme, through to relatively high-income earning informal entrepreneurs, sometimes above the level of workers in the formal sector, at the other end of the spectrum (Portes & Castells 1989). Many of these inequalities within settlements have their roots in access to resources such as land, to which the discussion now turns.

4.4 A Means of Securing Access to Land, Tenure and Shelter

Some of the mechanisms via which the urban poor have historically gained access to land — including land invasions, the purchase or renting of land, as well as the allocation of land by politicians — have been noted above. The nature of land subdivisions, submarkets, and the forms of informal land transfer markets arising from these different land access mechanisms have historically been highly varied (Smart 1986, Payne 1989, Baross & van der Linden 1992). Some authors have argued that the overall trend is toward the phasing out of informal land alienation, a slowing of the growth of owner-occupation due to the commercialization of land, and increasing state control over land markets in many countries (Amis & Lloyd 1990, Durand-Lasserve 1990). However, there are also numerous examples that are reversals of this process, suggesting that there is no general pattern (Gilbert & Varley 1991, Gilbert 1992).

The difficulties experienced by the urban poor in gaining access to land have increased in the face of factors such as the commercialization of land and institutionalization of land supply mechanisms, the decrease in land invasions and squatting as a means of gaining access to land, and increases in land prices in excess of the cost of living. Also, given the densification of existing informal settlements, land being kept unavailable for low-cost housing by property speculators, and the monopolization of land and housing supply, the poor have increasingly located on urban peripheries with reduced access to the urban economy (Carroll 1980, UNCHS 1982, Baross 1983, Payne 1989, Amis & Lloyd 1990). Government reactions to these pressures have been varied; under civil or military dictatorships these pressures are generally ignored or result in evictions. Democratically elected governments have, with limited success, attempted different approaches ranging from attempts to legalize settlements, releasing public lands through land banks, and exchanges of public lands for illegally occupied land (Stren et al. 1992).
Although consolidation and upgrading have been linked to increases in squatter incomes (Ward 1977), and security of tenure (Angel 1983), land tenure legalization should not be seen as the *sine qua non* of housing improvements and settlement consolidation, but should be assessed in context with other policy instruments such as the installation of infrastructure and levy of charges (Varley 1987). Tenure is generally acknowledged to be important in the consolidation process, however, it is important to note that it is not formal tenure per se, but the form or 'perception' of tenure that is fundamentally important. In many settlements, possession by occupation represents a form of concrete 'ownership' (Moser 1982), suggesting that *de facto* security is a primary tenure consideration for settlement residents (Durand-Lasserve & Pajoni 1993). Following an extensive study of tenure issues in a number of Third World cities, it was noted that in most cases, "...increased *de facto* tenure security appears to reduce the need of individual squatters for official legal titles. Once tenure at the community level appears to be secure, titles are not essential and the willingness to pay for them is considerably weakened" (Angel 1983:132). In upgrading projects in which a transition from informal land transfer markets to formal land markets is implied by the delivery of legal tenure, the regularization process needs to integrate elements of the informal mechanisms into the process, perhaps via a staged transition from informal to formal tenure forms.

4.5 The Role of the State

While the role of the state in the housing debate has variously been characterized as 'minimalist versus interventionist' (Mabogunje 1990), or 'support versus provider' (Hambdi & Goethert 1989), the positions of the main protagonists in the debate commonly make reference to the Turner-Burgess debate,¹⁴ which will serve as a useful starting point for discussion here. The Turner position (1976, 1982, 1983, Turner & Fichter 1972) is that housing should be viewed as a process rather than in product terms, or "...as a verb, rather than as a noun", and that policy approaches should emphasize user autonomy, small-scale interventions using appropriate technology, and user control of decision-making in housing production. According to this perspective, "...when dwellers control the major decisions and are free to make their own contributions in the design, construction, or management of their housing, both this process and the environment produced stimulate individual and social well-being. When people have no control over nor responsibility for key decisions in the housing process, on the other hand, the dwelling environment may instead become a barrier to personal fulfilment and a burden on the economy" (Turner & Fichter 1972:241). Regarding the role of the state, public housing policies and sites-and-services schemes which seek to improve the urban environment by removing and rehousing squatters are argued to have the effect of disrupting social networks and destroying real material and social resources which could otherwise be harnessed to improve the
physical and social environment in which the urban poor live. From this perspective, the appropriate role of government is not to withdraw from the housing arena entirely, but to play a supportive, enabling and a facilitating role in respect of user-autonomy, decision-making, and "freedom to build".

Critics of the ‘Turnerist’ position argued that it pays insufficient attention to the broader economic context, as well as to the political dimensions of self-help housing within the context of capitalist social relations (Burgess 1977, 1978, 1982). The issue of commodification was a central element in the debate; Turner focused on the use value of informal housing (rather than exchange value), Burgess’ argument focused on the way in which the various aspects of the housing process were given value (valorized) as part of the process of capital accumulation. Without entering into the details of the debate, the structuralist view argued that given that the role of the state was to support the conditions necessary for capital accumulation, it would be unlikely to take any action to prejudice those interests. Given the nature of the commodification process within the broader process of capital accumulation, the appropriate role of the state in housing provision is of less interest for neo-marxists than the argument that it is the root structural causes (i.e. capitalist social relations) that need to be transformed in order to address the housing issue which is but a symptom of the problem. This is not particularly useful in providing insights as to how the immediate problems of informal housing are to be engaged. To the extent that the immediate is considered, increased state intervention via direct help in completing the ‘use value’ of housing has been proposed (Ramirez, et al. 1992).

The ‘emancipatory’ tone of the Turnerist position — ‘freedom to build’, ‘self-help’, ‘dweller control’ — has been argued to be open to manipulation by governments using ‘self-help’ language as a justification for conservative deregulation and privatization policies, in which the poor are to be left to do more for themselves, with minimal state intervention. Another dimension of this argument is that self-help, when practiced as an individual rather than a collective effort, also serves to reinforce the status quo (Fiori & Ramirez 1992, Marcuse 1992).

From another perspective, and as it became clear that initial enthusiasm for self-help was not reaching the poorest of the urban poor, World Bank policies in the 1980s argued in favour of reduced subsidies, minimizing direct production of housing, and focusing on the supply-side solutions, increasing private sector supply of land and low-income housing, and increasing cost recovery (Linn 1983, Dunkerley 1983, Mayo et al 1986). The trend toward ‘the rolling back of the state’ has been given added momentum by extensive evidence of problems associated with over-bureaucratization (Cohen 1990), corruption (Peil 1991), and breakdowns in administration of basic services and infrastructure (Stren & White 1989, Kaluba 1990).
The emphasis on 'proper management' has been given added impetus by the World Bank's current focus on the raising of urban productivity in which infrastructure deficiencies, amendment of the regulatory framework, transferring central government functions to local government, and developing the financial sector in Third World countries are the central elements (World Bank 1991). However, this reform is being encouraged in the context of economic decline, administrative weakness and resource limitations in most developing countries.

This issue of the 'rolling back of the state' currently assumes considerable significance, given the increasing evidence that governments have, in fact, for some time now been withdrawing from housing provision anyway (Pugh 1989, Ramirez 1990, Potter & Salau 1990). As Richard Stren points out, the role of the state has shifted away from the initial emphasis on housing 'provision', through an assisted self-help phase, to the present phase where the emphasis is on the "proper 'management' of services and infrastructure" (1990:49). Even though pressure on governments to provide adequate shelter and services to the urban poor is increasing, many governments simply do not have the resources to adequately intervene even if they wanted to (Stren 1990, Cohen 1990).

4.6 The Environment

It is in this context of the inability of governments to intervene adequately that urban systems and services in Third World cities are becoming increasingly congested and in many instances dysfunctional. Over 600 million urban residents in Africa, Asia, and Latin America live in 'life and health threatening' conditions due to unsafe and insufficient water, overcrowded and unsafe shelters, inadequate sanitation, no drains or garbage collection, unstable house sites, risk of flooding and other environment-related factors (Cairncross et al. 1992). In addition to the health considerations, there are further costs associated with dysfunctional urban systems characterized by increasingly inefficient urban spatial structures, transportation systems, inappropriate land use arrangements, and the depletion of the natural resource base. These problems are further exacerbated because informal settlement residents often have no choice but to opt for survival strategies or immediate economic benefits at the expense of the long-term sustainability of their environment and hence of their livelihoods.

In addressing these issues, much of the sustainable development literature dating back to the 'Limits to Growth' school, through the Brundtlandt Report, and the positions articulated at the more recent 'Earth Summit' in Rio, have focused on ecological sustainability, reflecting a central concern with 'sustainability' rather with than 'sustainable development'. Within the mainstream economic literature, 'development' is usually defined principally in terms of economic growth. Given that
environmentally sensitive development strategies are often perceived not to deliver as immediate and as tangible a set of benefits as those quantifiable in economic growth statistics, economic growth has historically therefore been pursued at the expense of, or irrespective of, environmental considerations. In these terms, ‘sustainable development’ has been seen as a process of sustaining the economic growth, or put differently, how to make the development process last longer. The dominant perspective as articulated at the United Nations Conference on Environment and Development (UNCED) in 1992 is that nothing can (or should) be done to change the direction the world’s economies are taking in the pursuit of increased economic growth, and that environmental problems that arise along the way can be solved by more and better managerialism. The hegemonic response to sustainability problems is to emphasize that it is the quality of urban management that determines the extent to which cities are able to take advantage of being centres of concentrated production and population, while avoiding the potential disadvantages. In these terms, addressing the question of sustainability is, therefore, understood as a technocratic effort to keep the growth driven development trajectory afloat, and in which the management of the biophysical limits to growth is central.

Radical critiques of the mainstream perspective suggest that the pursuit of sustainability should be a cultural effort to shake off the hegemony of Western values and gradually withdraw from the growth driven ‘development race’ (Sachs 1993:12-13). Arguments in favour of a withdrawal from the ‘development race’ range from positions rooted in critiques of the way in which "...environmental issues are socially constructed under capitalism" (Redclift 1987:11), to analyses of how problems are rooted in the structure and workings of the global economy, in which the institutions of economic interdependence such as international trade, aid and debt work systematically to the benefit of the North and at the expense of the South (Ekins 1993). The bottom line is that environmental problems are seen to be rooted in political and economic systems in which the pursuit of economic growth is paramount. According to this perspective, the Northern establishment must recognize their countries’ primary responsibility for the present environmental crisis, and take ‘radical action’, to address it via, for example, the wholesale reform of institutions such as GATT, the World Bank, and the IMF (Ekins 1993, Shiva 1993). Southern elites need to recognize that the principal concern should be with the poorest people in their countries, and therefore "...to let these people lead the development process by giving them equitable access to resources and support for their grassroots movements" (Ekins 1993:99). The description of sustainable practices at the global level can have the effect of losing the meanings that people in different contexts attach to the term, and can have a potentially destructive impact on indigenous values, knowledge, and practices (Lohmann 1993) which become subsumed under the broader (and rather immodest) mission of "...today’s ecology [which] is in the business of saving nothing less than the planet" (Sachs 1993:17). Consequently, it is at the local grassroots level (rather than focusing on the global level), that sustainable societies should be built.
There are at least two major problems with these prescriptions for wholesale political, economic, and ideological transformation. First, they provide few clues as to how to most effectively deal with *current day-to-day exigencies* at the level of policy and practice. Second, while recognizing that the direction that the world’s economies are increasingly taking is directly contrary to the ideals put forward in the sustainability literature, there is inadequate engagement with how to bridge the increasing gap between the reality of current global trends and the ideals espoused in that sustainability literature.

A third view — and the one favoured here — which distinguishes between ‘growth’ and ‘development’, argues that "...growth is quantitative increase in physical scale, while development is qualitative improvement or unfolding of potentialities" (Daly 1990:1). In these terms, sustainable development is indistinguishable from the total development of society, given that ‘sustainability’ depends on the interaction of economic changes with social, cultural, and ecological transformations.

Consequently, it is not easily subject to measurement by any concept of direct and measurable economic gain. According to this definition, (1) its quantitative dimension is associated with increases in the material means available to those living in poverty, so as to provide for adequate physical and social well-being and security; and (2) its qualitative dimension is multifaceted and is associated with ensuring the long-term ecological, social, and cultural potential for supporting economic activity and structural change. The primary objective is to reduce by providing lasting and secure livelihoods that minimize resource depletion, environmental degradation, cultural disruption, and social instability (Barbier 1987). Part of the process of facilitating the provision of ‘lasting livelihoods’ is the requirement that people participate in decision-making, but also, that over time they are able to exert control over the forces that shape their lives (Edwards 1989:116). The concept of ‘sustainable development’ can be understood in terms of its component parts. Sustainability is defined in terms of ecological sustainability (natural resource use and sustained use of local and global sinks without compromising the ability of future generations to meet their needs). ‘Development’ is defined to include economic, social, political, and cultural goals (Hardoy et al. 1992). The combination of a range of development goals and the achievement of sustainable levels of resource use requires the simultaneous achievement of social, economic, political, and ecological goals — combinations which will require trade-offs.

When applying this definition to ecological sustainability of cities, the ‘sustainability’ component concerns the impact of cities (or the producers and consumers within them) on environmental capital which comprises local and global sinks, renewable and non-renewable resources. The ‘development’ component concerns the performance of each city and its institutions in meeting its inhabitant’s development needs, which include social, economic, and ecological needs.
Within informal settlements (as in most areas inhabited by the poor) where people are primarily concerned with their immediate livelihoods and day-to-day survival issues, it is necessary to address the widespread perception that sustainability issues are an indulgence of the affluent or the middle-classes. In this regard, it is necessary to make explicit the link between sustainability and the immediate life circumstances of the poor. Sustainability issues would consequently not focus on growth *per se*, but rather on the nature of growth with particular reference to implications for poverty and distributional issues. Translating a strategy that involves trade-offs in achieving social, economic, political and ecological goals into practical terms, Hardoy *et al.* (1992:180-182) argue that meeting 'development' goals would involve meeting people’s needs via the provision of access to adequate shelter and a healthy environment. This includes basic physical and social services, the right to participate in national and local politics, and access to adequate livelihood (which itself often implies access to natural resources). The 'sustainability' goals require the minimal use of non-renewable resources, the sustainable use of renewable resources, and keeping within absorptive capacity of local and global sinks for wastes.

### 4.7 A Force for Social Empowerment?

In Third World urban development literature, attention to the social dimension has been varied in focus. A topic that has been the subject of a substantial volume of literature, and which has become a subject in its own right, is public participation¹⁸ in development. Some of the central principles informing participatory approaches to development (for example, Moser 1983, Korten 1983, 1986, Bamberger 1986) can be traced back to the principles underpinning contributions such as ‘The Pedagogy of the Oppressed’ in which dialogue and the value of local knowledge and participation are argued to be critical to development (Friere 1972). The failure of programs designed to produce collective capacity building and empowerment and which have had the contrary, disempowering consequences (Gilbert & Ward 1984a, 1988), can be attributed to the fact that these programs were not part of the objectives of the project initiators in the first place and settlement residents were excluded from real control over decision-making. In addition, procedures designed to engender participation in the planning and implementation process have often been unable to secure the involvement of people who may not share the same cultural, social, and ideological presuppositions as the project initiators. Basic organizational principles to elect representative leadership to report back and operate in an accountable manner to a constituency are often incompatible with organizational structures within settlements, which operate within a hierarchical framework of leadership that relies more strongly on relations of mutual obligation than 'democratic' accountability (Moser 1989, Sheung 1990, Cotton & Skinner 1990, Nientied, et al 1990, Marsden & Moser 1990). Responses to the tokenism and failure of many public participation approaches have focused on
mechanisms to ensure greater ‘community’ control over decision-making processes (Bell 1991, Edwards 1989), and on the role of Community Based Organizations and Non-Governmental Organizations in facilitating more participatory approaches to development. In this regard, gender analysis has been particularly instructive.

Within developing countries, factors such as the predominance of woman-headed urban households, the predominance of women in the informal sector, women’s low wages in comparison to men, women’s triple role,19 and women’s limited access to land and wealth (Stren et al. 1992:52-55), provide the context for analyses and planning approaches in which gender issues are a central concern. However, although there is increased awareness of gender issues, empirical evidence (cited in various studies reviewed in Gilbert 1994) indicates that the impact of the current economic decline on women has been severe: "...life has become more difficult because women have had to work more, have been paid less, and have borne the burden of coping with lower household incomes because other household earners have earned less (Gilbert 1994:618). Furthermore, in informal settlements — as in societies in general — one consequence of women’s subordination to men20 is that women have historically been excluded from access to effective participation in decision-making processes. For example, in development projects, women have rarely been an integral part of project design or decision-making and, at best, have (some) of their ‘interests’ and needs tacked onto projects, often with consequent problems in implementation.

In day-to-day settlement life, women and men undertake ‘community’ activities, although in markedly different ways from each other, reflecting a further sexual division of labour. "While women have a community managing role based on the provision of items of collective consumption, men have a community leadership role, in which they organize at the formal political level generally within the framework of national politics" (Moser 1993:28, emphasis added). In spite of their marginalization from effective control over decision making power, women’s ‘community managing’ role extends beyond organizing attempts to ensure the provision and maintenance of scarce resources of collective consumption such as water, health care, and education. For example, in informal settlements that are not provided with basic services such as sanitation or refuse removal, the triple role is compounded since it is generally women who take responsibility for cleaning and maintaining the environment.

Gender relations are reflected, not only in the social power relations within settlements in terms of participation in decision-making and access to and control over resources, but also in terms of the physical fabric of informal settlements. Part of the reason households with similar income levels and length of residence in settlements often occupy markedly different types and quality of housing is
explained by the role of women in household decision-making processes. In a study of a number of Mexican settlements, it was found that in households where women participate in decisions affecting housing priorities, as well as in the organization and building of their homes, proportionally more time and income are allocated to housing than in households where women have only limited authority over household budgeting and expenditure (Chant 1987). Despite this positive input, women’s participation in projects is often restricted by project eligibility criteria which exclude women from project target groups (Machado 1987), or from particular jobs — especially in construction — or from provision of appropriate credit arrangements or forms of tenure (Nimpuno-Parente 1987). In many instances, these problems have arisen because the role and needs of women were either not adequately understood by project planners, or because they were not even considered in the first place.

In engaging these problems, and following Molyneux’s (1985) introduction of the distinction between practical gender needs and strategic gender needs, other authors have further developed the concept in relation to urban development and housing (Moser and Peake 1987, Moser 1989, 199321). Housing provision or upgrading projects in informal settlements may meet the practical gender needs of women given that in their domestic roles they are the principle users of housing or services. However, since these development interventions do not ensure women’s ownership of housing, or any control over decision-making with respect to distribution or use of services, it is only when interventions have been designed to challenge the status quo and to facilitate equal access for women to property ownership and effective development decision making that strategic gender needs can be considered to have been met. Gender planning, with the explicit objective of empowering women through developing greater self-reliance, recognizes women’s triple role, and seeks to meet strategic gender needs indirectly through bottom-up mobilization around practical gender needs (Moser 1993:74).

These conceptual tools provide a useful framework within which to consider both the existing and the potential role of women within informal settlements. This section has described some of the conceptual tools, and aspects of the role and needs of women in informal settlements. In following through with implementation of gender planning within informal settlements, a central point to consider is that gender planning is in itself an approach, and not simply a component of a program that can be integrated or included in the overall planning approach. While attempts to pursue a gender planning approach need to address ingrained values and cultural systems that are patriarchal in nature, such an approach also needs to locate itself within an understanding of the more formidable task of how best to mitigate the impacts of broader economic decline on women and children — who are most vulnerable to such changes.
Civil Society
An area currently the focus of significant attention from authors articulating a wide range of ideological persuasions, is that of civil society. Civil society is a concept with many definitions and meanings within the social sciences, and about which there is little consensus. Among the central issues in the debates concerning civil society are questions such as: where does responsibility for the material and social well-being of a nation’s people rest? What kind of institutional relationships would be most effective in sharing the task of urban development? What is the most appropriate relationship between governmental and non-governmental organizations? Underlying the normative questions concerning rights and responsibilities of governments and civil society, are the very different performance records and capacities of governments and civil society institutions in terms of criteria such as efficiency, effectiveness, equity, and sustainability. Also, the relationship between governments and non-governmental organizations is a political issue that impinges on the legitimacy of the various types of institutions to exercise power (Bratton 1989).

At a political level, the curbing of activities that are independent of the institutional networks controlled by government has led to a shrinking of what are already extremely weak and marginalized civic public realms in many developing countries. This phenomenon assumes increased significance in the context of the economically-induced ‘rolling back of the state’ insofar as this shrinking of government activities in areas such as the provision of collective consumption goods may open up, or create, opportunities for civil society to grow (Hyden 1992). However, whether the political space will be opened up for NGOs and CBOs to operate effectively is unclear at this point.

In one respect, the institutions of civil society exist to the extent permitted by the state, civil society is an important source of impetus for government reforms. Not only do local social institutions provide economic and social services outside of the control of the state, but they often challenge the legitimacy of the state to regulate private behaviour, thereby potentially constituting a countervailing force (MacGaffey 1992, Tripp 1992). Even though such potential to influence policy and promote reform varies considerably from one national context to another, Stren, et al (1992) note that the role of civil society is emerging as a major focal point in terms of the subjects of governance and decentralization. They argue that this involves attempting to improve systems of government, concentrating on effective and accountable institutions, democratic principles and electoral processes, and developing a "...new organic relationship between government and civil society" (ibid: 89).

One of the important foci within the urban development arena, and in the context of the reduced role of governments, is the potentially increased role for Community Based Organizations (CBOs) and Non Governmental Organizations (NGOs) (Hardoy & Satterthwaite 1989, Clarke J 1991, 1992, Edwards & Hulme 1992, Turner 1988, UNCHS 1988). This literature suggests a range of levels
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defining the nature of the relationships between governments, NGOs and CBOs. First, on the basis of an examination of Latin American, Asian, and African experience, NGO-government relations have been found to be most constructive where confident and capable government with populist policies engage NGOs that wish to pursue mainstream development programs. Conversely, relations are likely to be most conflictual where weak and defensive governments with limited power bases interact with NGOs that seek to promote social mobilization in contested areas (Bratton 1989).

Second, and arising from this point, is the spectrum along which NGOs are located in terms of their relationship with the status quo in any particular country. For instance, differences between 'establishment' or government-aligned NGOs, and NGOs whose political position defines them in an adversarial or conflictual relationship with governments, also imply very different strategies in relation to settlement communities as well as to CBOs. The former tending toward top-down, product-oriented approaches to development, while the latter tend toward bottom-up, 'community-driven' approaches. In either case, NGO roles in informal settlements vary considerably from acting as 'supporter' or facilitator, through to providing skills and managerial expertise to ordinary residents. The translation of strategy into practice is sometimes an uneasy one, with establishment NGOs often experiencing legitimacy problems at the grassroots level, while the over politicization of other NGOs is reflected in difficulties, for example, with product delivery in the context of an unsupportive de jure institutional environment.

Before considering the relationship between NGOs and CBOs, it will be useful to briefly examine CBOs as entities in themselves. Given their social marginalization, informal settlement communities have been examined in terms of their potential role as a force for social and political mobilization. One of the most powerful means of building the base for such mobilization, has been via urban social movements. On urban social movements, Schuurman and van Naerssen (1989:2) present a reformulation of the Castellsian (1977, and later 1983) definition of urban social movements in the Third World context, as being "...social organization with a territorial based identity, which strives for emancipation by way of collective action" (1989:2-3). Their definition does not exclude the possibility that urban social movements contribute to, or aim at, societal reform, which in many instances is argued to be the only way to ensure the "emancipation" of the urban poor. This definition, however, represents an advance over the initial Castellsian formulation as it is inclusive of the day-to-day realities and practices of the urban poor, including local level activities not necessarily directed at societal transformation but which may lay the groundwork for such longer-term change.

However, these positions have been argued to be somewhat idealistic insofar as they are often underpinned by the "...romantic notion that the poor automatically organize themselves into communities, which often assumes a homogeneity of interests between different housing users which, more often than not, is shortlived or non-existent" (Moser 1989: 127). Also, given the limited signs
of radical ideology, or propensity for revolutionary action,\textsuperscript{24} Perlman (1976, 1987) suggests that informal settlement communities' support for mainstream political parties or movements is conditioned more by the prospect of the receipt of material benefits via patronage arrangements, than due to being wedded to any ideological or political position - thus the masses 'go with the flow' as political control of settlements changes. This appears to be confirmed by the fact that social movements are few in number, and those that do exist are relatively weakly organized. In most countries, demands relating to shelter and services issues are usually channelled through the workplace (Mabogunje 1990). South Africa appears to be an exception in this regard, as the activities of social movements have extended into the sphere of collective consumption (Gilbert 1992). Even so, difficulties remain in attempting to define precisely who or what constitutes 'the community' in the context, for example, of negotiations with respect to urban development programmes (Friedmann 1993).

One further factor influencing the building of longer-term organization is the nature of migration patterns. In Southeast Asia and sub-Saharan Africa where migration is typically temporary or circulatory (Gilbert & Gugler 1992, Mabin 1990, Cross \textit{et al.} 1992), the fluid and constantly changing population composition of informal settlements does not contribute to the building of strong social organization. This is not, however, generalizable, since many settlements — particularly those in Latin America — reflect stable population composition, in which migration is permanent.\textsuperscript{25} Moreover, in periods reflecting dramatic changes in the political socialization patterns of urban dwellers — such as in Peru in the 1970s and 1980s — experiences associated with the new urban setting can eventually outweigh those of a rural or migratory background (Stokes 1991). Migration aside, recent evidence from a shantytown in Lima, Peru, cautions against generalizing the picture of settlement residents as being overly conservative and concerned primarily with individual advancement. Stokes (1991) argues that while patterns of conservatism and clientelism have persisted, these have become intermeshed with new currents of popular radicalism and class-based activism, often associated with labour unions marking the political consciousness of workers living in the shantytowns. However, given the limits to the ability on settlement residents to obtain access to formal sector employment, this would not seem to be an internationally generalizable trend.

Having identified the major themes in the literature on informal settlements via an examination of the nature of the internal make-up as well as the relationship of informal settlements to the broader urban context within which they exist, a context has been provided for an examination of informal settlement upgrading and the prospects for institutional capacity building.
5. INFORMAL SETTLEMENT UPGRADING AND INSTITUTIONAL CAPACITY BUILDING

As noted earlier, the increased adoption of upgrading as a strategy for engaging informal settlements was reflective of a more constructive and accommodationist approach in terms of which informal settlements became accepted as permanent parts of the urban fabric in many developing countries. Looking briefly at some of the primary advantages of upgrading, it is noted that such interventions are able to reach the poorest of the urban poor, social networks within settlements are retained, few people are displaced, and the potential for participation of settlement residents in the development decision-making and implementation process is high. Recognizing that making generalizations is a hazardous enterprise, it is noted that some of the major conclusions from case study evaluations of upgrading projects are that upgrading generally contributes to improved quality and quantity of housing, particularly when linked to the delivery of legal tenure. However, de facto security itself is particularly important in influencing property values and willingness to invest resources in property (Angel et al. 1983). Positive impacts of upgrading on income and expenditure patterns have generally been limited (Raj & Nientied 1990, Viloria & Williams 1987). Impacts of upgrading on gentrification have also been varied. In some cases there has been limited displacement of poorer groups in favour of more affluent groups (Robben 1987, Nientied & van der Linden 1985, Taylor 1987); whereas in other instances (and linked to steeper rent increases in upgraded areas), higher levels of displacement of the poor has taken place (Keare & Parris 1982, Moitra & Samajdar 1987). Although high degrees of public participation have been noted in many upgrading projects, this has often been used as a means to the end of service delivery, and has not always facilitated ‘empowerment’ objectives of self-reliance among ordinary informal settlement residents (Moser 1983, Rakodi 1989, Skinner, et al 1987). In terms of creating the capacity to sustain the momentum for ongoing upgrading and development within settlements, (with the exception of the Kampung Improvement Program in Indonesia [Silas 1984, 1992, Taylor 1987, Baross 1990]), upgrading projects have generally been limited to the confines of project boundaries and have not had a city-wide impact in terms of policy or institutional reform (Payne 1984, World Bank 1991). Cost recovery remains problematic both in terms of a willingness and ability to contribute to the capital costs of infrastructure as well as to the running costs of water, sanitation, and refuse removal systems (Rakodi 1992). In many cases this creates a dependence on subsidies (Agbola 1990).

Having identified the failure to create institutional capacity as a major urban development concern, a gap exists in the literature as there is no coherent framework designed to build that capacity both at local and at city-wide levels. More fundamentally, the precise meaning of the concept remains elusive. At a basic level, the elements of urban institutional capacity have been argued to include the
"...horizontal and vertical coordination among the concerned agencies, delineation of responsibilities and functions among the agencies, technical and human-relations skills of the agencies to perform their assigned tasks, and decentralization of planning and management authority to urban local governments" (Cheema 1987, 1993:13). A broader definition of institutional capacity would, in addition to the technical or organizational focus of the above definition, also focus on the social and political dimension of the concept. Institutional capacity should refer not only to the organizational dimension of informal settlement upgrading (as portrayed, for example, in the Lusaka upgrade (Pasteur 1979)), or administration and management capacity of individual organizations such as local government (Kolo 1987), but should also be understood to include the range of levels from informal settlement-level institutions to external organizations and agencies such as local and central government, funding agencies, implementation agents, as well as the political processes that define the nature of the relationships between those interest groups.

A working definition is submitted here in terms of which institutional capacity is understood to refer to both process and structure. In these terms, institution building is (1) the building of informal settlement social organization which refers to the (re)building of the institutions around which settlement residents organize and cohere, the development of resident’s skills, resources, and organization, and the Community Economic Development in the specific context of settlement upgrading (Turner 1988). This extends beyond public participation in development decision-making, and ultimately revolves around the critical issue of developing the capacity to exert effective control over aspects of that decision-making process. (2) It refers to the building of capacity for urban management and governance as it relates to informal settlements. In this regard, there are two primary levels of concern, each of which needs to be integrated with the other — building upon local informal settlement-level administration systems (Montgomery 1988) which are grounded in an understanding of the complex de facto social make-up of those settlements in the first instance, and the strengthening of de jure local government in the second (Baross & van der Linden 1990, Rodwin & Sanyal 1988). This needs to be executed at the local settlement level, and also in relation to the development of frameworks for the management and governance of metropolitan regions (Clarke 1991). In the development of frameworks for the governance of formal and informal elements of metropolitan regions that contribute to the building of institutional capacity, consideration of appropriate basic infrastructure is required through (physical and social) service provision, funding mechanisms, alternative tenure systems, housing delivery systems, and land use and planning processes. The political and economic relationships between the various interest groups involved in the development process (including informal settlement communities, CBOs, local government, NGOs, funding agencies, and political organizations), need to be defined at each of the levels described above.
This final section then, will highlight some of the primary issues and questions that will need to be considered in the construction of a framework for informal settlement upgrading that contributes to the building of institutional capacity.

5.1 Urban Management and Governance

Literature reviewed thus far indicates that the current concern with urban management and governance is rooted in the weak, ineffective, and unrepresentative forms of urban government practices in many developing countries, and in legal and institutional systems largely unchanged from their outdated colonial origins. This poses particular problems for informal settlements, which function according to a logic even further detached from that applicable to the outdated systems originally designed for the formal colonial city.

The concept of ‘urban management’ has been described as the development of policies and tools to deal with improving cities’ financial structure and management, the provision of shelter, basic urban services, infrastructure, the improvement of urban information systems, the strengthening of the role of the urban informal sector and of urban institutional capacities including the role of municipal governments (Cheema 1993:7). However, as Richard Stren argues, the concept has been inadequately developed at a conceptual level with consequent problems in the operationalization of the ‘urban management approach’. Given the applicability of Stren’s critique to related (and equally elusive) concepts such as governance and institutional capacity, his cautionary comments are worth describing further. He argues that the elusiveness and lack of clear definition of the concept can be understood with reference to a number of factors including reasons of convenience, ideology, and organizational expediency. In this regard, the widespread adoption of the concept was initially a reflection of the move away from a focus on purely physical service and housing provision toward the more institutional focus of the 1980s and 1990s in which the notion of ‘management’ replaced the narrower concept of administration. However, while facilitating organizational flexibility, the application of the concept by the Urban Management Program without a clear, focused definition of the term has contributed further to its lack of clarity. In order for the strong institutional emphasis of major agencies such as the UNDP, World Bank, and UNCHS to lead to a greater acceptance and more effective implementation of ‘the urban management approach’, the elaboration of a coherent conceptual approach to the subject is vital. Stren argues that there are two necessary elements for such a process to occur. First, there needs to be a higher degree of interaction between active researchers and the project managers who are dealing with the practicalities of ‘urban management’ projects. Second, there needs to be more serious attention to clarifying and refining the meaning of the concept and the implications of its use beyond its project application (Stren 1993:137-138).
A further criticism of some of the current emphasis on urban management — that it treats the engagement of the range of urban problems as a depoliticized technical exercise in which there is an administrative or managerial 'fix' to the complex affairs of human societies, politics and organizations — has stimulated interest in the related notion of 'good governance'. Perspectives of governance can be characterized as being located along a spectrum, at the one end is the treatment of the subject as a technical, management exercise of government, to the views representing the concept in human development or 'people' terms, and finally to a more explicitly political representation at the other end of the spectrum.

The concept of 'good governance' gained increased prominence following the World Bank's (1989) oft-cited argument that "...underlying the litany of Africa's development problems is a crisis of governance" (World Bank 1989:60). More specifically, the report refers to extensive personalization of power, the denial of basic human rights, corruption, and authoritarian government that is unelected and unaccountable. Along these lines, a first version of the concept defines good governance primarily in administrative and managerial terms. Although it recognizes political and social relationships as issues, it pays limited attention to their complexities in terms of the politics, social relationships and the structure of the state and civil society which shape, and are shaped by, forms of governance. From this perspective, good governance refers to efficient, independent, accountable, and open public service (World Bank 1992).

Proceeding from a more explicitly political perspective is the argument that effective capacity for promoting development is not a function of good governance, but is rather a function of a particular kind of politics and state. These are argued to be the states whose politics have concentrated sufficient power, probity, autonomy, and competence at the centre to shape, pursue and encourage the achievement of explicit and nationally-determined developmental objectives. This may be accomplished by establishing and promoting the conditions of economic growth, by organizing it directly, or by a varying combination of both. In this regard, Leftwich (1994) describes the model of the 'developmental state' which contrasts strongly with many of the current theories of good governance which eulogize the minimal state, a Weberian-type bureaucracy, respect for human rights, a rich and diverse civil society, political pluralism, and a separation between economic and political life. Leftwich argues that "...uncomfortable as it may be to acknowledge it, the model of the developmental state, whether democratic or not, entails a strong and determined state which protects a powerful and competent bureaucracy that largely shapes and directs development policy, a dubious (and sometimes appalling) civil and human rights record, the suppression or control of civil society and a fusion — at least at the top — of the political direction of economic power. Above all, both the idea and practice of developmental states illustrate not simply the importance, but the primacy of politics and the state in development, whereas the somehow lifeless notion of 'good governance' has
been evacuated from them" (Leftwich 1994:381-382). In informal settlements however, one of the obvious dangers of an over-emphasis on the product delivery benefits associated with such a powerful 'developmental' state is that it is likely to be supportive of the autocratic and exclusionary political style that is characteristic of 'warlords'.

Bearing in mind the importance of the particular characteristics of the state, a critical element of the notion of governance requires that civil society is accorded a central position in analysis. In this regard, governance may more usefully be defined in terms of "...the conscious management of regime structures with a view to enlarging the legitimacy of the public realm" (Hyden & Bratton 1992:7). Put differently, "...the prospects for governance rest in the first instance on the condition of institutions — meaning both norms and structures — in civil society" (Bratton & Rothchild 1992:280). This concept also extends beyond a narrow technicist perspective, and while being inclusive of urban management considerations described earlier, is also inclusive of the functioning and relationships between the state and civil society. This includes formal government structures, the private business sector, non-governmental organizations, and Community-Based groups — all of which need to play decisive roles in urban decision-making.

Critical to this concept of governance, in which civil society is accorded centrality, is the relationship between local government, NGOs, and settlement residents. These relationships need to be clarified and built at a number of levels. First, and popular with many development agencies, are capacity building programmes targeted at Community Based Organizations (CBOs) and their service organization NGO partners. Such programmes have been designed not only to build the organizational capacity of these CBOs and NGOs, but also to reduce the dependence of CBOs on their relatively well-resourced and technically-skilled NGO partners. Examples of capacity building programmes developed in the South African context and which were directed at Community Based Organizations and their NGO partners are TODR (Training, Organizational Development & Resourcing) and ODET (Organizational Development, Education and Training). TODR programmes combine (1) training which encompasses the development of administration and management skills, leadership skills, and technical skills, the primary goal of which is to enable CBO membership to become effective practitioners in their present and future roles; (2) organizational development which involves CBOs reshaping themselves within changing political and economic environments so as to ensure clear definition of overall structure, functions, and the future role of the organization. Organizational Development work is designed to develop the ability of CBOs to set organizational goals and objectives as part of overall strategy development, defining organizational roles and responsibilities, developing decision-making and accountability procedures, and developing guidelines for inter-organizational relationships; and (3) resourcing, which involves the development of skills required to secure and manage the human, physical, and financial resources necessary for the
effective and ongoing functioning of CBOs. In particular, the development of financial skills such as budgeting, resource acquisition, and financial management are central (OXFAM 1992, Planact 1992, BESG 1992).

Second, caution needs to be exercised so that resources are oriented toward the building of decision-making structures and relationships that serve the interests of rank-and-file individuals and households throughout informal settlements, (particularly women and children who are the most disadvantaged at the local settlement level) rather than simply reinforcing the status of unaccountable and unrepresentative ‘leadership’ or power cliques.

Third, since the building of capacity refers, inter alia, to building skills, resources, and organization, this requires that attention also be directed at developing appropriate skills bases within local government with respect to their engagement with informal settlements. Apart from dealing with changes to the structures of local government, which have been noted in many instances to be outdated and modelled on colonial precedents, attention needs to be directed at training oriented toward developing the abilities of local government officials. This requires looking at informal settlements through sets of lenses that clearly focus on the rules of the game in the informal city, rather than being confined to sets of lenses that only focus clearly on the formal city’s City Halls, planning statutes, and metropolitan Master Plans.

On a more cautionary note, Sanyal (1994:33) describes some of the lessons to be learned from the decline of the so-called Alternative Development paradigm. These points are applicable to any attempt to construct a policy oriented toward the building of institutional capacity, and are worth quoting at some length:

"...the primary lesson is that one needs to be institutionally knowledgeable when proposing a new idea. A new idea should lend itself to being implemented by gradual modification of new ways of doing things. One should also realize, when proposing a new idea, that it must be able to generate institutional consensus, and this requires that the new idea not be proposed in terms too antagonistic to old ways of doing things. One must also acknowledge that a new idea will need an institutional base from which to be implemented. Institutions usually prefer clearly defined and uncomplicated ideas which are easy to implement. In case no existing institutions are able to absorb the new idea, however, its proponents may push for the creation of a new institution; but to be successful in that effort, they must be in close connection with top-level policymakers. [Furthermore], independence from powerful institutions — particularly the government — is not a precondition for success. Conversely, embeddedness in
the existing institutional network is essential for the successful implementation of new ideas."

5.2 Enablement Approaches: Enablement of What, and by Whom?

The current popularity of 'enablement approaches' begs the question: 'enablement of what and by whom?' In this regard, there are at least two fundamentally different approaches to be considered (Leaf 1992): in the first instance, and within the context of the World Bank's current focus on urban productivity, is the most recent statement on the subject of 'enablement', in which the 'enablement of markets' (World Bank 1992) is argued to be the priority. Contrasted with this approach, is the view that development should be synonymous with human development (UNCHS 1986, 1990, UNDP 1991), and that it is necessary to look to political realities, income generating opportunities and targeted assistance for the poor, and restructuring of budgets to focus on human priority areas. The 'enabling' strategies within a people-centered approach would include improving access to land by the poor, developing finance systems, and access to building materials, all within the context of national strategies for targeting shelter and service delivery. Improvements in the quality of social relations are paramount here.

Although the importance of the social development aspects of upgrading have long been recognized, upgrading initiatives have nonetheless historically been focused on the delivery of physical product, whether in the form of physical services, infrastructure, or legal tenure, while the social aspects of development have been 'tacked on' as a secondary event, rather than as an integral part of the upgrading process. The relationship between the social development and physical/technical development components of upgrading need to move away from an emphasis on physical infrastructural inputs as the sole or primary activity, to an integrated and more balanced relationship between both the physical and the social. This would involve consideration of prioritization in terms of timing, and (financial and human) resource allocation in which the social development components need to precede any physical infrastructural inputs, and then continue throughout the life of the upgrade as an integral part of the process. So rather than the problem being posed as product versus process, the focus should, as a principle, be on an integration of both: the most appropriate process via which to deliver product. In this way, the pursuit of a sustainable development process, as defined earlier, may be more feasible.

Regarding 'whom' exactly should be responsible for 'enablement', both the market-enablement and the community-enablement proponents suggest a reduced role for governments. Whereas the market
enabling approach implies an increased role for the private sector, the community-enabling approach emphasises an increased role for the informal sector in the provision of urban infrastructure, housing, and services. Importantly though, according to this perspective, governments need to play a supportive role in creating the institutional framework necessary to facilitate the promotion of human development goals and strategies (UNDP 1991).

The 'support' versus 'provider' dichotomy (Hambdi & Goethert 1989, Hambdi 1991)27 in which the key issue is who ultimately takes responsibility for the housing process, offers a perspective on the role of settlement residents in the development process. The debate as to whether public participation is a means or an end, whether it is used to deliver product or stimulate the development process which may result in the 'empowerment' of the participants, and the questions regarding the extent, scope and means of participation (Moser 1989), rests ultimately on who is the main initiator, and who controls the development process. In the support paradigm, the end user is considered to be the primary agent, whose participation must by definition be a central part of the development process. The precise nature of that role however, will be mediated by the form of support provided by outside interest groups such as government, NGOs, and funding agents, which in turn will be reflective of the institutional framework and relationships defining the most fundamental issue: who controls the respective components of the development decision-making process. As already noted, the exercise of effective control is contingent upon the existence of capacity as reflected in levels of skills, resources, and organizational development.

5.3 Linking the Local Settlement-Level and the City-Level

A question arising from mainstream economic and political-economic literature, as well as that literature focusing on the role of NGOs, concerns the level at which interventions are most likely to have immediate and enduring impact, and the relationships between those levels. Whereas Burgess (1977) and other neo-marxists have argued that anything less than policy and practice oriented at social transformation amounts to 'rearranging the chairs on the Titanic' insofar as it addresses symptoms rather than causes of urban poverty, it has been noted that alternative perspectives argue that local level interventions would be most effective, provided there is a link between those local level interventions and city-wide and national-level policy (World Bank 1991).

In support of a local level focus, and in the context of making suggestions as to how to bridge the gap between researchers and development practitioners, urban development specialists such as Stren et al. (1992), authors with a rural focus (Chambers 1983, Cernea 1991), proponents of a community enabling approach (UNCHS 1990, UNDP 1991), and ecologists (Sachs 1993) argue that decision-
making that is decentralized to the local level with a view to empowerment of local communities, is required. Along these lines, the use of local and indigenous knowledge and planning skills in the institution building process is important (Kolo 1987). While recognizing that this constitutes ‘tinkering’, this local level approach is a bottom-up approach (Stohr & Taylor 1981), and is argued to have greater potential to lay the base for longer-term gains and empowerment for the urban poor (Ward & Macoloo 1992), particularly in respect of providing the foundation for more effective urban governance (Stren, et al 1992).

As noted earlier, it is important that such local level interventions are linked to policy at a city-wide level. At a political level, the critical relationship is between settlement residents as ultimate beneficiaries of the development process, and local government. An important ingredient of this relationship concerns the scale of development activity. If there is a progressive build-up in the scale of development activity then the development process itself can be the stimulus for the building of capacity (Davidson 1991), and for broader urban change. This raises the depth-versus breadth trade-off in terms of which strategic policy needs to balance potential impact at the local level with regional and national level imperatives. A concept worth further exploration and discussed earlier with reference to gender planning, concerns strategies designed to achieve short-term practical needs and focus on day-to-day issues, while achieving longer-term strategic ‘empowerment’ objectives.

Furthermore, the importance of the linkages between macroeconomic policies that are largely managed at the national level, and urban economic policies that are managed at the city level has been extensively argued, for example in the World Bank (1991). A similar argument can be put forward regarding fiscal, financial, and real sector linkages between the urban metropolitan economy and the local settlement level. Not only do the impacts of urban economic policies on informal settlements require attention, but, so too, do the impacts of settlement upgrading on the broader urban economy need to be integrated into the informal settlement:economic policy equation. Required here is a consideration of the role of upgrading in, inter alia, addressing infrastructure deficiencies which reduce the productivity of enterprises and households, changes in the flows of goods and services, consumption and investment patterns, the distribution of income generating activities, employment patterns, and changes to land and housing markets.

Having noted the principle that local level interventions such as informal settlement upgrading need to be linked both with longer-term strategic objectives, and also with city-region wide change and economic policy, a question then arises as to which mechanisms or approaches would be most appropriate in designing projects to achieve this objective.
5.4 The Crux: *de facto* ‘Rules of the Game’

Despite the seemingly trite and obvious suggestion that planning in a context in which settlement has not yet occurred should be fundamentally different from planning in situations where settlement has taken place, traditional planning approaches still oxymoron-ishly attempt to ‘formalize the informal’ via the application of a formal planning logic and procedures to settlements whose very nature and origins contradict such an approach. Conversely, "...projects that are regarded as success stories usually have succeeded because within the project area they ignored the usual legal and institutional blocks, such as inappropriate building and planning codes, and used ad hoc arrangements to tackle other problems" (Hardoy and Satterthwaite 1993:157). The important point here is that in-situ upgrading projects need to take the informal *de facto* ‘rules of the game’ as the primary reference points for planning interventions in informal settlements. This includes the particular sets of social and economic relations and networks, land markets and planning processes already in place and which bear little or no resemblance to formal or legal frameworks (and indeed are often established precisely because they do not conform to those regulations in the first instance). Planning and implementation, therefore, needs to make sense first and foremost in terms of the informal settlement that is already in place, and then secondly in relation to the *de jure* frameworks and procedures (some of which may ultimately be amended as a direct result of ‘success’ in the upgrading process anyway).

As an example, public participation strategies that rely on attempting to apply the rules and conventions applicable in the formal world, *(such as Master Planning, legal contracts and development agreements with settlement ‘communities’)*, are susceptible to failure. This is because attempts to formalize the status of relationships and decisions made between practitioners and settlement communities are more often than not incompatible with the nature of the social norms and institutions in informal settlements, which have been described as messy, fluid, and continually changing. Thus practitioners express frustration at the formal ‘agreements’, legal ‘contracts’, and agreed upon plans with informal settlement ‘communities’ constantly evaporating, falling away, and being contradicted by newly formed power structures or informal settlement leadership. The problem here is not with communities being disorganized, but is rather one in which policy makers and practitioners apply a flawed understanding of the nature of the *de facto* rules in informal settlements, with consequent difficulties in planning and development implementation.

Development processes need to be structured in order to accommodate the messiness of the informal, rather than attempting to apply processes designed for the formal city on the assumption that those same processes can or should also apply to the informal. 28 It is necessary to move away from a ‘fit-your-problem-to-our-(preconceived)-solution’ mentality, and rather attempt to construct conceptual
tools and practical solutions around the specifics of the informal situation at hand. Here, the *de facto* social norms, institutions, and conventions applicable in informal settlements dictate the 'rules of the game', and planning in the informal setting needs to anticipate and accommodate continual changes in these rules.

**Figure 1. Informal settlements and the de facto rules of the game**

**Integration or Disintegration?**

It has been noted that the 'informal city', in which *de facto* social relations define the 'rules of the game', is increasing in scale in developing countries. Even so, informal settlements are increasingly being left to their own devices, given the widespread phenomenon of the 'rolling back of the state' in terms of its withdrawal from, and reduction of resources into urban development. This withdrawal is taking place despite the need for increasingly effective governance of urban areas generally, and informal settlements specifically. The informal city's relationship with the formal has also been noted to be characterized by a simultaneous "separation or loss of functional connection" at some levels (e.g. political, legal, policy making), and "asymmetrical integration" in a subordinated position at other levels (e.g. economic, environmental). Development interventions that have attempted to formalize the informal have brought about a disintegration or destruction of the social fabric of these settlements, have forgone the opportunity to build on the positive aspects of those settlements, and
have only achieved their partial integration into the broader urban fabric, albeit still in a marginalized fashion.

A question that arises is whether to attempt to retain the social fabric of informal settlements and to attempt to formulate a framework that focuses on their more equitable integration with the ‘formal city’. Recognizing that elements of both formal and informal can make positive and negative contributions in capacity building terms, it becomes necessary to focus upon the positive factors which have the potential to strengthen and build capacity in settlements. Informal settlement policy generally, and strategies around upgrading specifically, will thus involve trade-offs both within and between a number of levels, including the physical, economic, political, legal, and institutional. The spatial level provides particularly difficult challenges. In instances where city structures have been inherited from colonial or, as in the South African instance apartheid history, policy trade-offs are required between informal settlement upgrading — which may imply reinforcement of existing city structure with the poor living in badly located high-density settlements on the urban periphery — versus attempts at city restructuring with a view to reversing existing inequities and inefficiencies. Ultimately, choices at all these levels will involve taking some of the *de facto* rules of the game that are characteristic of the ‘informal city’ and integrating them with some of the legal rules according to which the ‘formal city’ operates. In that process, some of those *de facto* social relations may be eliminated completely, some may be amended and formalized, and those that contribute to a more efficient urban governance system may be retained intact and integrated into the overall metropolitan government system, thereby formalizing their status. Incremental approaches to tenure regularization in which there is a staged transition from informal to formal land markets, provides an example of such a process.

So then, how best to integrate without marginalizing? And then more specifically, what should be the nature of the links between informal settlements, in-situ upgrading, local government, the integration of settlements into the urban fabric, and the building of the institutional capacity necessary to sustain the development process?

### 5.5 Informal Settlement Upgrading and Capacity Building: Issues for Further Consideration

In the construction of a policy framework designed to facilitate the building of institutional capacity of informal settlements, among the issues to be considered are mechanisms that contribute to improvements (1) in the *material and social conditions* of informal settlement residents. In addition
to the obvious quantifiable dimension of improved access to housing and physical and social services, people's own perceptions of changes to their well-being and quality of life are important. Furthermore, short-term or immediately apparent improvements need to be analyzed in relation to complementary interventions that create the potential for sustaining the upgrading process into the longer-term; (2) in the capacity of settlement residents to engage their built and social environment by taking control of decision-making in the upgrading process, as well as accepting the risk and responsibility attached to exercising such decision-making control; (3) in the capacity of external actors: of particular importance is that local government and NGO's engage informal settlements with an understanding and sensitivity of the de facto norms and 'rules of the game' in terms of which the informal functions, rather than only with reference to the de jure rules applicable in the formal city, as has traditionally been the case. This will require an analysis of trade-offs between economic and political imperatives applicable in the respective environments; (4) a more equitable integration of informal with formal settlements, by improved access to urban services and infrastructure, the integration of formal and informal political and administrative structures, and improved urban management and governance systems, as they relate to informal settlements.

An exploration of the nature of the relationships between these areas can contribute to an understanding of which of these respective areas, or which combination, is able to exert the most 'leverage' in terms of a policy that facilitates the building of institutional capacity. Grounded in an understanding of the de facto rules of the game in informal settlements, and reflecting a reformulated understanding of the procedural aspects of the planning process, such a policy framework would contribute toward more effective development practice in informal settlements. Informal settlement upgrading needs to be a means to the end of institutional capacity building, in which the internal social fabric of settlements constitutes the analytical starting point, but the building of 'community' within those settlements is just one of a number of ends within the capacity-building problematic.
NOTES

1. It is recognized that a limitation of this review is that it is confined to English language literature, and thereby excludes many language media including a substantial volume of Latin American and Asian literature on housing and informal settlements. Concerning scope, the focus is primarily on post-1990 literature, although particularly in respect of the literature on 'informal settlement community' issues, some of the more significant contributions date back to the 1950s and 1960s.

2. Some clarification of terminology is in order here: 'Informal settlements' alternatively referred to as squatter settlements or irregular settlements, are understood to refer here to free-standing settlements which are spatially discrete from formally planned areas, and in which settlement has taken place outside of the planned, regulatory frameworks of governments. Free standing informal settlements are to be distinguished from illegal subdivisions or backyard shacks in formal low-income townships. Informal 'settlement' is preferred to the term 'housing' because it is considered to be a more inclusive term, incorporating housing in addition to other dimensions comprising the physical and social environment inhabited by people living outside of the regulatory framework of the state.

'Services' are understood to include both physical and social services. 'Institutional' is understood to include not only the technical aspects that relate to organization, organizational structures, and their functioning, but also to the political dimensions which are concerned with the processes by which the relationships between interest groups involved in the development process, are structured. These interest groups include resident populations of settlements, Community Based Organizations (CBOs), government (local and national), Non Governmental Organizations (NGOs), and funding agencies.

3. The distinction has been made between literature in the mainstream economic tradition and approaches in the political-economy tradition (for example, Rakodi 1992, Leaf 1993). The mainstream economic perspective has as its theoretical roots, neo-classical economic conceptions of housing markets operating on the basis of supply and demand within a household utility maximization framework, and in which a pluralist state is assumed to be acting in the interest of all. More specifically, in the 1970s, emerging out of the criticisms and failures of modernization theory were a number of new approaches, including 'redistribution with growth' arguments (Chenery et al. 1974). This became the dominant position of the World Bank during the 1970s, and underpin the supply-side arguments that the 'unblocking of markets' needed to be a central part of urban development strategies. The policy goals that were reflected in this strategy included policies to increase output, productivity and incomes, to alleviate poverty, inequality and unemployment, to redistribute income and investment increments derived from growth, to search for labour intensive and 'appropriate' technologies. It also included the deregulation of the informal sector, improvements in the access of small-scale enterprises to finance, markets, technical and managerial assistance, the elimination of factor price distortions in labour and capital markets, the introduction of transfer strategies in favour of the poor in public service expenditures (water, sewerage, electricity, health, education, transport), and the encouragement of 'self-help' housing policies. At the bottom line then, the mainstream
economic approach has been primarily product-oriented, quantitative in emphasis, with a focus on market supply-side policy.

The political economy framework on the other hand is inclusive of approaches ranging from neo-marxist at the one extreme, through to analyses that stress political, social, and cultural factors affecting land and housing. Political-economy is used here as a generic description for various bodies of thought which have the transformation of aspects of existing social relations as their focus. Here, the role of the state, structural aspects of the urban development arena, and an emphasis on the transformation of capitalist social relations provide the focus for much of the literature in the radical tradition. The emphasis is on the process by which development is conducted, on the qualitative dimension of development, on political and economic structures and power relations, and on social transformation. Within the broad definition of what is described above as the political-economy tradition, is a body of literature that attempts to contribute to a more adequate understanding of the social complexities within informal settlements. This literature, given its socially sensitive orientation, has a process emphasis, is qualitative in orientation, has a focus on the role of human agency, and has strong roots in sociological and anthropological literature.

4. This attention to global trends and relationships is not new. In addition to contributions from those such as David Harvey, Manuel Castells, and John Friedmann, the so-called ‘world political economy’ approach in the 1970s examined the nature of the relationship between the way in which urban systems in developing countries relate to the operation of the international economic system. Also, in Theatres of Accumulation, Armstrong and McGee (1985) examined the impact of global forces on Third World cities, with particular reference to Latin American and Asian cities. More recently, on the global economy and financial system see Dicken (1992) and Janelle (1991). Also, Dieleman and Hamnett (1994) provide a useful overview of issues pertaining to globalization, regulation, and the urban system.

5. The same local-level focus is used in other seminal contributions which provide considerable insights into the nature of informal settlements both as entities in themselves, and in relation to their external urban context. These include Slums are for People (Laquian 1969), The Myth of Marginality (Perlman 1976), and more recently, The Wheel of Fortune (Jellinek 1991).

6. Often referred to is Hillery’s 1955 review of ninety-four definitions of the term, which concluded that beyond the recognition that people are involved in community, there is little consensus on the use of the term. Also, see Poplin (1979).

7. Gemeinschaft, or "real and organic life" is usually translated as ‘community’, and is contrasted with gesellschaft or ‘association’, which refers to "imaginary and mechanical structure". Gemeinschaft-relationships are characterized by affectivity, mutuality, naturalness, and intimate living, which Tonnies regarded as the expression of real organized life based on tradition-based bonds and relationships. These relationships are, however, dissolved in the change to individualism and competitiveness that characterize the growth of gesellschaft-type relationships — which are social arrangements characterized by impersonal, and limited contractual relationships, established following calculation and reflection (Tonnies 1957:33-34). While gemeinschaft and gesellschaft were presented as two opposed ways in which people can be
bound together, Tonnies argued that there were elements of both types of relationships in all social relationships and societies. Nonetheless, there is, it is argued, a trend in societies toward an decrease in the influence of gemeinschaft, and a corresponding increase in the influence of gesellschaft-type relationships. For a more recent application of the concept, see Boothroyd (1991).

8. Various types of 'influentials' have an impact at the community level such as different types or categories of leaders; institutional leaders who occupy formal legally defined positions, 'grassroots' leaders who have a position of de facto influence, and 'behind-the-scenes' leaders whose influence varies widely from community to community (Robert Merton 1957). More recently, and in the context of Third World urban development, Ward & Chant (1987) conducted a comprehensive review of leadership types, relationship to society at large, and the impact of leadership types on Community Development programmes.

9. An understanding of power, and specifically community power theory, is useful in explaining the role of different types of leadership structures, institutions, individuals, and styles within communities. Following the classic study of the city of New Haven by Dahl (1961), debates centred, inter alia, on the 'other faces of power', and specifically on the structural aspects of power. Lukes (1974), in 'a radical view' of power, introduced a three-dimensional conceptualization of power in which pluralist, elitist, and class dialectic approaches are examined. The structure-agency debate in which the potential role of human agency was seen as being determined and constrained by the structures of power, appeared at a dead-end until the influential conceptualization of power put forward by Giddens (1982, 1984) in which he introduced the concept of 'structuration'. Structuration theory views social structure being produced and acting back on human agents who are the subjects of that structure, which they "instantiate" through their constitution of it. Despite critiques of the concept of structuration (Held & Thompson (eds) 1989), this formulation represents an advance over previous more deterministic conceptions of power through the suggestion of a potentially more influential role for leaders and community individuals or groups. The role of agency - within the power structures of society has positive implications for the potential role of the urban poor, as well as for planners in the development process.

10. Or, differently put: "the definition of locality also allows for different levels of locality, one including the other; a kind of nested hierarchy, for example, in Rio de Janeiro: favela Babillonia, within the area called Lido, within the area called Copacabana, within the Regional Administration of Copacabana, within the area called the South Zone, within Rio de Janeiro city, within greater Rio de Janeiro, and so on. Each of these levels is relevant to some set of supralocal institutions, which also occur as a nested hierarchy; or several levels of the one may be in relation to several of the other at the same time" (Leeds 1994:218).

11. See also Fanon (1967) for an elaboration of this perspective.

12. Economic dualisms have taken many forms in development literature, ranging from 'modern' and 'traditional' as in Boeke's (1953) formulation in the Indonesian context, or Geertz' (1963) contrast between the 'firm centred economy' and the 'bazaar economy', or in terms of Frank's (1970) 'development of underdevelopment' thesis, or various Latin American authors
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13. The classic statement of modernization is a model of linear stages of growth (Rostow 1960), in which societies pass through a series of stages in the move to industrial sophistication and ‘maturity’. An important dimension within this tradition is that economies are represented according to a two-sector model (Lewis 1955) which represents society as comprising a ‘modern’ and a ‘traditional’ (or agricultural) sector.

14. Or as seen by others, the Turner-Burgess non-debate in which each argument is seen as making valid points, but no real debate took place because of a lack of agreement on mutually recognized terms of reference (Nientied & van der Linden 1985).

15. The Turner/Burgess positions, as well as contributions to the debate by numerous other authors, are summarized in Mathey (1992:380-385), Ward & Macoloo (1992:61-62).


17. Recognition of these problems, and attempts to address them are not new, dating back decades, and given prominence by the ‘Limits to Growth’ school following the publication of the report of the same name by the so-called Club of Rome in 1972. This report stressed the importance of links between the environment and continued economic growth. Academic literature on the subject, while critical of many of the assumptions underpinning the report, built on the ‘limits to growth’ discussion of the 1970s (Meadows et al. 1972). In this discussion authors such as O’Riordan (1981) argued that it is not the balance between population and resources that is the central issue, but rather the ends to which resources are put in the relentless pursuit of economic growth. These arguments were further developed along the lines of the oft-quoted statement of the Brundtland Report (1987) that we must meet the "needs of the present generation without compromising the ability of future generations to meet their own needs". More recently, the United Nations Conference on Environment and Development (UNCED) — more commonly referred to as the Earth Summit — in Rio de Janiero in 1992, has stimulated further debate with respect to sustainability, development, and sustainable development, not least due to the refusal of the US government to put the lifestyle of the US up for discussion.

18. It is recognized that public participation means a variety of different things to different people, ranging along a spectrum from token public participation as a means to the end of facilitating product delivery, through to participation where community is in control of development decision-making, and is seen as a means of empowerment (Arenstein 1972).

19. In most Third World households, women have a ‘triple role’ (Moser 1993:27-36). This triple role includes reproductive work (childbearing and rearing responsibilities), productive work (as primary or secondary income-earners), and community managing (organizing at the community level to make demands for collective consumption items such as basic urban services).
20. Feminist literature would variously argue that this occurs at various levels, ranging from the state through to the level of the household unit, and it is a function not only of the relationship between men and women, but also of colonial and neo-colonial oppression. While the various arguments presented by liberal, radical, marxist, and socialist feminists will not be dealt with here, some of the important conceptual and analytical advances that have been made in understanding gender and development issues will be outlined here. Moser (1993) provides a comprehensive and up-to-date overview of various perspectives in the feminist literature as they relate to urban development issues and, in that context, of debates in respect of gender planning in which she traces the conceptual shifts from 'sex or gender to WID or GAD'. The term 'women in development' (WID) was first coined in the 1970s and was based on the underlying rationale that development processes would proceed much more effectively if women were fully involved in them, rather than simply being left to use their time 'unproductively'. Specifically, it is argued that while women are key actors in the economic system, their neglect in development plans has left untapped a potentially large contribution (Overholt et al. 1984). The so-called 'women in development' (WID) approach focuses on the isolation of women, and promotes measures such as improving access to credit and employment, and the mechanisms by which women can be better integrated into the development process.

A more recent shift in approach was influenced by writers such as Oakley (1972) and Rubin (1975) in which it has been argued that rather than focusing on women in isolation, there is a need to look at 'Gender and Development' (GAD). The focus on gender, rather than on women, is underpinned by a concern about the problems of women being perceived in terms of their sex, which refers to the biological differences between men and women, rather than in terms of their gender, which refers rather to social relationships between men and women, and in which women are systematically subordinated. Importantly then, the focus on gender requires an examination not only of the category 'women', but of women in relation to men, and the way in which relations between these categories are socially constructed and differentiate the experience of inequality and subordination within societies. Since the WID approach is by definition an add-on, rather than an integrative approach, it is less threatening to the status quo, and is therefore more widely used. Gender planning, by contrast, with its fundamental goal of emancipation, is by definition more confrontational as its purpose is to achieve equality and equity with men through empowerment (Moser 1993).

21. Elaborating briefly, practical gender needs are those needs which arise from the "concrete conditions of women's positioning, by virtue of their gender, within the sexual division of labour". Practical gender needs do not challenge the gender divisions of labour or women's subordinate position in society, although they arise out of them. In addition, they are a response to immediate perceived necessity and are often concerned with inadequacies in living conditions, such as inadequate housing, clean water provision, health care, and employment. On the other hand, strategic gender needs are those needs that women identify because of their subordinate position to men in society, and arising from this, contribute to the formulation of an alternative, more satisfactory organization of society in terms of the structure and nature of relationships between men and women. These needs vary according to particular contexts. They relate to gender divisions of labour, power, and control and such issues as legal rights, domestic violence, equal wages, and institutional forms of discrimination. The pursuit of a gender planning approach is not an end in itself, but is a means by which women, through
process of empowerment, can emancipate themselves, via a redistribution of power and resources within households, civil society, and the state (Moser 1993).

22. Many current formulations and debates around civil society have their origins in the concept presented by Gramsci in which civil society is presented as the realm of social life that ‘appears’ as the realm of the private citizen and individual consent, and which exists between the coercive relations of the state, and the economic sphere of production. This Gramscian formulation of the relationship between economy, society, and state provides the precursor to many of the more contemporary debates both at the level of theory, and at the level of the practical world of urban development; specifically in terms of the concrete relationships between governments, NGOs, and CBOs.

23. NGOs and community based organizations are two of the primary elements of civil society to be considered here. NGOs are non-profit making organizations, may be local and/or foreign funded organizations, with a focus on the provision of services for development purposes. Community Based Organizations include grassroots community organizations, such as resident’s associations, savings clubs, women’s organizations, through to civic organizations which are ostensibly community based, but often become somewhat detached from the grassroots as they become increasingly involved in city level, provincial, or national level politics.

24. As argued, for example, in an examination of the inhabitants of shantytown dwellers in Mexico City: "are the migrant masses revolutionary? Definitely not, at least in Latin America and many other parts of the developing world" (Cornelius 1975:2).

25. It is recognized however that these general trends are mediated by factors such as the state of the economy, and specifics of the societies in which migrants live. For example, when Latin America was experiencing economic growth, migration to cities tended to be permanent, but with the decline of urban opportunities, rural villages quickly became more attractive. In Africa, where links to rural areas were never really completely severed, ‘temporary’ migration has remained the norm. By contrast, in Asian countries currently experiencing rapid economic growth, movement toward cities continues to be on the increase. (Gilbert 1993:726).

26. Involving the support and participation of major actors including the World Bank, United Nations Development Program (UNDP), and the United Nations Centre for Human Settlements (UNCHS)

27. Debates about the respective roles of the state, private sector, non-government agencies, and the urban poor in the informal housing process, have historically centred on attempts to distinguish the key agency responsible for housing and services delivery. In this regard, the ‘provider’ and ‘support’ concepts (Hambdi & Goethert 1989, Hambdi 1991), are useful. The ‘provider paradigm’ describes the conventional approach to mass housing delivery historically pursued by both the state and the private sector, who use the benefits of industrial organization and mechanization to deliver housing on scale (ibid: 19-20). The ‘support paradigm’ by contrast, follows in the tradition of the ‘enabling’ policies advocated, for example, by John Turner. It has been adopted by many NGOs and international agencies in attempts to increase the participation
of small builders and ordinary homeowners in the provision of housing, arguing that it is more effective to improve the already existing, small-scale, and even individualized mechanisms by which people produce shelter for themselves, rather than to enhance exogenous production processes through large-scale organization and mechanization. Thus, for advocates of the support paradigm, "the question is not whether government or industry can produce more houses, but what help their organizations can give so that those who already produce, and others who want to but cannot, can produce more effectively" (Hambdi & Goethert 1989:20).

28. In procedural terms, what needs to be further refined is the planning process in informal settlements. In the context of an analysis examining some of the beneficial price implications of the irregular settlement process, Baross (1991) distinguishes between conventional city and site development planning and ‘informal’ or ‘illegal’ settlement growth. Baross notes that conventional urban planning is pursued according to a sequence in which city planning involves zoning, trunk service provision, and land assembly, while local site planning is pursued according to a (P) planning, (S) servicing, (B) building, (O) occupation sequence (PSBO). This formal planning process is, however, contradicted by the reality of Third World cities in which the expansion of city growth is most typically based on a reversal of this conventional framework and in which ‘formal’ planning becomes the last step in the (O) occupation, (B) building, (S) servicing, (P) planning sequence of development (OBSP).
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