The Evolution of Concepts of Urban Land Tenure in Developing Countries*

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INTRODUCTION

The problem of adequate land for the urban poor in developing countries is bleaker today than it was 25 years ago, and almost surely will become more bleak in the future. In spite of some 2½ decades of effort by governments and international agencies, and enormous investments of money and administrative energy, no nation (with the possible exception of Singapore) has kept pace with the problem.

The relation of land supply to policies of land tenure is the subject of this paper.

THE PARADOX OF LAND TENURE

At the heart of the question of land tenure, at all times and in all countries, lies a paradox. Land is essential to all human activities, limited in quantity, immobile and permanent. Surely it is, by its very nature, a public good. Like water in dry regions, it is a commodity that cries for public management and control. Indeed, in the case of urban land, the value of which is so heavily dependent on socially created demand and publicly provided services, the case is even more compelling for strong public intervention.

On the other hand, the record of governments, particularly in the developing countries, in the effective management of land has been a discouraging one. Every piece of land is unique. It does not lend itself to the uniform procedures of bureaucracies. Its special value and scarcity have opened the doors to political favouritism and corruption. It is a subtle asset to administer, and most governments are simply not very good at it.

Experience has repeatedly shown that the granting of tenure to private individuals is extremely efficient in releasing enormous energies for urban development. Furthermore, there are deep human psychological needs for "roots" — identity with a home or parcel — that must be recognised in even the most socialised societies.

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In short, urban land epitomises the classic conflict between equity and efficiency. The socialisation of key elements of ownership can produce equity, but at the price of inefficiency; and unlimited private control can be highly effective with respect to the exploitation of individual parcels, but grossly inequitable in their impact on the whole. The struggle of every society is to find a system of tenure that will, under the historical circumstances of the time, best optimise the contrary pulls of productivity and social justice.\(^1\)

The feudal tenure system, for example, provided efficiency through the organisation of large estates, while at the same time attempting to satisfy equity through the imposition of reciprocal duties on the holder of every form of tenure. In the long run, feudalism became stifling and exploitative, reaching its climax and demise in France under Louis XVI.

Similarly, the American system of private — but widely diffused — ownership by means of the Homestead Act and other legislation was highly effective both in settling a continent and in granting a certain equality of opportunity to all. Today, we see the same institutions having negative effects on efficiency when expressed in the form of urban sprawl and on equity when manifested in the form of exclusionary zoning.\(^2\)

Land tenure, therefore, is never an “either–or” situation. It is, at every historical moment, for every society, a question of striking a balance between the need for social control and fairness in access to land, and an equally pressing need for private initiatives to ensure efficiency, and satisfaction of the human yearning for territorial association. Compromises are always uneasy, and with constant changes in technological, social and economic conditions, new balances must constantly be struck. The task of every nation, therefore, is continually to re-define tenure relationships as between public and private rights. (The French, Mexican, Russian, Chinese, Cuban and Nicaraguan revolutions — all having land as one of their central themes — are reminders of the consequences of failures to adapt.)

It is the purpose of this article to outline, in a highly generalised form, stages of response of less-developed countries (LDCs) to the urban land tenure question, and to indicate some directions of possible solution to its current dilemmas.

The stages will be presented in a roughly chronological order. Nevertheless, as we all know, government policies die hard, and any individual nation may be, in its various agencies, manifesting different stages in simultaneous or even contradictory ways. Moreover, the very term “developing countries” encompasses dozens of nations, each at a different point in the urbanisation process.

PUBLIC SECTOR RESPONSES TO THE TENURE PROBLEMS PRESENTED BY RAPID URBANISATION

The era of laissez-faire

In the earliest stage of urbanisation the attitudes of governments to the arrival of poor migrants has often been one of relative indifference.

In the cities of Africa, for instance, even until recent times, urban land was allocated — as it had always been — by tribal chiefs. As Baross points out, in Blantyre, Malawi, when a stranger entered the city, a long-established resident


would explain to the chief why the person needed land, the area required, the
type of house to be built and so on. If the chief agreed, he would walk to a
suitable site, talk to the people already settled there, and mark out a new parcel
with stones. The migrant would then give the chief a gift, not based on the value
of the parcel, but on the wealth and status of the donor.\(^3\)

In Latin America, the doctrine of baldios (all unused land reverts to the
government) and ejidos (collective rights in the peripheral lands of settlements)
resulted in substantial portions of urbanisable land being in public ownership. In
the parts of Asia and Africa colonised by Great Britain, Crown lands inherited
by the new governments were also often extensive. (Similar doctrines of public
rights exist in the Moslem areas of Africa and the Middle East.) Thus, many, if
not most, major cities in LDCs had considerable public land holdings, upon
which squatting was, at first, liberally tolerated.

The stirrings of industrialisation required cheap labour. Squatting lowered
housing costs, thus muting the wage demands of the migrant poor. Even in cities
where land was privately owned, government simply turned a blind eye to illegal
subdivisions, the creation of crowded rooming housing, and other informal
commercial arrangements which were grossly substandard by sanitation and
building codes, but accepted both to the poor and the private sector that catered
to it. (Studies of Bogotá,\(^4\) Bangkok,\(^5\) Ankara\(^6\) and the Indonesian kampongs,\(^7\)
among others, illustrate this system in action.)

The era of perceived threat, demolition and public housing

In time, the spread of medical care, with the resulting dramatic drop in infant
mortality, and other economic factors, transformed urban migration into tidal
proportions, and the hillsides and river valleys of every large city began to teem
with people living in ever more crowded and difficult conditions. Many of the
established urban élites, viewing this growing ocean of apparently miserable
humanity all around them, began, in the late 1950s and early 1960s, to become
frightened: of crime, of disease, but above all, of uncontrollable masses in the
hearts of their capitals that at any moment might rise in revolution.\(^8\)

The response was three-fold:

3Misomali, A.W., “Upgrading of Ndirande Squatter Areas, Blantyre”, unpublished diploma work,
Bouwcentrum International Education, Rotterdam, 1974, p. 15, quoted by Paul Baross, “The Articulation of
Land Supply for Popular Settlements in Third World Cities”, in Land for Housing the Poor, Angel, S., Archer,
available through the Lincoln Institute of Land Policy, Cambridge, Massachusetts.)

4Doebele, W.A., “The Private Market and Low-income Urbanization in Developing Countries: The ‘Pirate’
Subdivisions of Bogotá”, American Journal of Comparative Law 25/3, 531–564, 1975. Also, Blaesser, B.W.,
Clandestine Development in Colombia. USAID, Office of Housing, Occasional Paper Series, Summer, 1981,
and Hamer, A.M., “Bogotá’s Unregulated Subdivisions: The Myths and Realities of Incremental Housing

5Boonyabancha, S., “Causes and Effects of Slum Eviction in Bangkok”, in Land for Housing the Poor, op.
cit., footnote 3, pp. 231–280.


7Krause, G.H. “The Kampong of Jakarta, Indonesia: A Study of Spatial Patterns in Urban Poverty”,
Dissertation, University of Pittsburgh, 1975. Also, Silas, J., “Spatial Structure, Housing Delivery, Land
Tenure and the Urban Poor in Surabaya, Indonesia”, in Land for Housing the Poor, op. cit., footnote 3, pp.
211–236.

8There is said to be a proverb in Pakistan that, “It takes a nation to create a State, but a capital city
can destroy a State”. In addition to a perceived political threat, urban élites frequently regarded cities (particularly
 capitals), as the fortresses of high culture and bastions of civilisation, to be protected from the general crudity
that was believed to prevail in the countryside. See, Perlman, J., The Myth of Marginality: Urban Poverty and
“Some Notes on the Conceptualization of Problems of Urbanization”, mimeographed, Massachusetts Institute
1. demolition of as many slums as possible, especially near the nerve centres of government, transportation and communication and residential areas of the wealthy;⁹
2. using European and American models, building minimum-standard subsidised public housing for those who could not be dislodged from the city; and
3. for the long run, pursuit of programmes of decentralised development and rural improvement to stem and divert the flow at its source.

The failure in all three categories is now the subject of a considerable literature that need not be summarised in detail here.¹⁰ Although some governments still pursue all or some elements of these policies,¹¹ in general demolition and slum clearance has, in many nations, become politically unacceptable; public housing proved to be far too costly to pursue on an adequate scale, and was often unpopular with its recipients; and long-range programmes generally failed to counteract economic advantages to the poor of migration to the largest cities. (Indeed, improved rural education often accelerated the urban migration it was intended to reduce.)

The era of transforming urban migration into a positive process

In the 1960s, observations by a number of persons — among them John F.C. Turner¹² and William Mangin¹³ — showed that squatting had many positive aspects, and it combined with the granting of tenure and provisions of public utilities (“urban infrastructure”) could become a self-solving process. In the famous phrase of the time, “Squatters are not part of the problem, but part of the solution”.¹⁴ As nearly as can be determined, the turning point in “contentional wisdom” on this subject came in the mid-1960s, after which Turner’s ideas were widely accepted. The US Agency of International Development (USAID), the UN Development Programme (UNDP) and other international bodies began sponsoring projects using the theme of “progressive self-development” or “autonomous housing”; and, in 1972, the World Bank, with its major resources of credit, rapidly made “sites-and-services” a global programme, at first dealing largely with new areas, but then becoming combined with “upgrading” — emphasising the use of tenure and infrastructure instal-

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⁹Perlman, commenting on the massive relocation of favelados (slum dwellers) from the centre of Rio to its far peripheries, writes: “In some ways Brazilian officials have accomplished their age-old dream of sending the favelados back to the country where they came from. It is easier to exert police control over a distant ghetto, and easier to treat the needs of the poor in a perfunctory manner when they are no longer a visible part of the urban scene.” The Myth of Marginality, op. cit., footnote 8, pp. 249–250.


¹¹Sarin, M., “The Rich, the Poor, and the Land Question”, in Land for Housing the Poor, op. cit., footnote 3, pp. 237–253, see especially pp. 241–242 and 247–248. Also, Boonyabancha, S., “Causes and Effects of Slum Eviction in Bangkok”, in Land for Housing the Poor, op. cit., footnote 3, pp. 254–280. This study states that 38.1% of slum dwellers in Bangkok had been, or were threatened with, eviction. Earthscan, the publication of the International Institute for Environment and Development, has stated that half of Bombay’s slum, shantytown and pavement dweller population have had their homes or huts demolished more than five times. “Urban Land and Shelter for the Poor”, Press Briefing Document No. 35, the Institute, London, 1983, p. 14.

¹²Turner, J.F.C., “Housing Priorities, Settlement Patterns and Urban Development in Modernizing Countries”, Journal of the American Institute of Planners 34, 354–363, 1968. This is the best short summary of his thinking on this subject, although he has written other books and articles on the same subject.


¹⁴As one observer has noted: “The other element comes from our survey [of upgrading in Cartagena, Colombia]: the astonishing zeal with which poor households improve housing. One grandmother said relleñar o comer (to fill in earth or to eat) was almost a daily decision that often went in favor of relleñar. Some observers have even feared that the poor build at the expense of their health, but that seems a little extreme: building as the ‘opium of the people’.” Strassmann, W.P., The Transformation of Urban Housing: The Experience of Upgrading in Cartagena, p. 157. Baltimore, Johns Hopkins University Press, 1982.
lations as a means of improving both sanitary conditions and individual private investment in existing slums.

About the same time, political scientists and sociologists such as Wayne Cornelius, Joan Nelson and Janice Perlman showed that poor urban migrants had high motivations to establish themselves in the system rather than to overthrow it, and, if given reasonable opportunities, need not be feared as fertile ground for revolution.

It will be noted that one of the important themes of this period has been the granting of secure tenure to individual families. The principle — which appeared to be generally sound in practice — was that once a family knew its tenure was assured, it would itself mobilise resources for housing construction, often in remarkably large amounts in relation to income. Housing, in short, was seen by the poor not only as an amenity and consumption good, but the key to economic security and upward mobility, and evoked exceptionally powerful motivations for investment.

While sites-and-services and upgrading programmes are still being vigorously pursued in many LDCs, the decade-and-a-half of experience has revealed increasing difficulties. Since the programmes did nothing to stem migration, and were not on an immense enough scale to make supply equal to demand, urban land prices continued to rise. With each inflation in land cost, the problems of acquiring land for sites, or compensation to provide title in upgrading areas, have become more difficult, especially since projects — in order to be replicable — must be self-financing. Rising land prices and assembly problems have also had the effect of pushing projects to cheaper peripheral land, farther from the employment that is essential to the survival of the poor. Moreover, successful upgrading in existing slums has made housing in such areas much more desirable, thus possibly benefiting those who received title, but potentially harming tenants who may face higher rents because of the amenities thus provided.

A more subtle problem has been the possibility that regularisation of tenure may facilitate the “buying-out” of lower-income precincts by the middle class. In the early days of urbanisation, the poor were often able to stake out well-situated areas by invasion and squatting, which, in spite of their favourable locations, were not attractive to the middle class because the cloudiness of title made investment risky. Indeed, with the passage of time, not only was the original title unsure, but a host of informal transfers and inheritances among the poor themselves confused claims even further, resulting in multi-layered possessory

17Perlman, J.E., op. cit., footnote 8.
18For a summary of the effects of giving tenure in sixteen projects in ten countries, see Angel, S., “Land Tenure for the Urban Poor”, in Land for Housing the Poor, op. cit., footnote 3, pp. 110–143. Angel is careful to point out that the granting of tenure to the very poorest groups will not, however, produce housing, unless it is accompanied by access to low-cost financial credit.
20Upgrading projects typically attempt to pass on the costs of improved infrastructure and title registration to the owners who benefit. (Indeed, Trivelli points out they are sometimes charged twice. Trivelli, op. cit., footnote 19, p. 117.) However, in a situation in which adequately serviced and properly registered urban land is in extremely short supply, the increase in capital value may easily exceed the cost of installing the services and registering the title, for those to whom ownership is given. In fact, it is frequently the case that as a practical matter, these costs are never collected. “Cost recovery has been even more difficult in slum-upgrading projects. By definition, the population already occupies the neighborhoods and houses selected for improvements. They have not always agreed, however, to either the need for upgrading or the obligation to pay for improvements.” The World Bank, Learning by Doing, p. 26. Washington, D.C., World Bank, 1983.
“rights” based on original “titles” of doubtful validity. The effect of this process was to establish, in many cities, “reception areas” into which the poor could move and live while establishing themselves in the urban economy:

“This new role of the State... is a response to the emergence of settlers’ movements which demanded fair dealing in land transactions and the provision of services... These [settlers’ movements] effectively obliged the State to take up its cards in the colonias populares [self-help housing areas], specifically in the form of regularisation and services programmes. The existing colonias thus lose their character of illegality and separation from the regular land market. At the same time, they lose their initial raison d’être, that is, of providing urban land for self-build housing at prices accessible to the working population.”

Regularisation of such titles, when achieved, can cause a whole new set of economic forces to begin to operate.

With urban growth, all sites tend to become relatively more central, as locations once near the periphery are engulfed by further development. Moreover, increasing city size tends to increase the value of central locations, since they now serve central functions for an ever larger population. Thus, when the “protection” of lack of legality is removed by registration of title, capital values may increase dramatically. This has the effect, of course, of awarding large capital gains to those fortunate enough to be the nominees in the registration process. If they are poor, they have the choice of retaining a property that they undoubtedly know has increased greatly in value, or selling out to a more affluent class and using the capital to secure alternative housing for themselves — with perhaps a net gain on the transaction that can be spent for other purposes. Faced with this alternative, do low-income families who have received tenure tend to hold on to their new high-value asset, or to submit to what Peter Ward has called “downward raiding” from middle-income groups for whom housing is also desperately short? The existing evidence is scarce and mixed. In four sites-and-services projects analysed by the World Bank, more secure forms of tenure did not cause unusually large amounts of turnover. (These data are, however, not completely satisfactory since the projects had restrictions on sale which would have inhibited the reporting of transactions even if they occurred.) In one project in Nairobi, on the other hand, 94% of the plots become absentee-owned, and there was even high turnover among the renters.

In an older study of 85 households in the district of Isidro Fabela, Mexico City, in 1974, showed that the legitimisation of tenure resulted in 70% of new arrivals into the district over six years being of a higher economic status than those who sold out. Angel, who has written one of the most valuable commentaries on

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21 "The multiplication of recognized rights on land and housing in Indonesia thus presents a complicated picture. In the Kampongs as well as in the villages, it is quite common to have different levels of tenure on the same plot of land. A hypothetical example might serve to illustrate this pattern: person A has tenure rights to a plot of government land; part of the land is leased to B who constructs a house on it; person C rents a room in person B’s house and uses it as a vocational training school; and person D is lodging in the room while he is being trained in the school. In such a case there are four layers of tenure on one plot of land, all superimposed on one another. Each layer of tenure is controlled by a different party and may generate income..." Silas, J., “Spatial Structure, Housing Delivery, Land Tenure and the Urban Poor in Surabaya, Indonesia”, in Land for Housing the Poor, op. cit., pp. 228-229.


this subject, has pointed out that there are three possible disadvantages from tenure improvement.

1. If, as in Karachi, for example, land is considered by some to be de facto secure from government intervention, there will be little interest by the poor in the extra costs and possible taxes that may come from de jure legitimisation. This attitude has also been seen in some settlements in Mexico City. In Lusaka, 30% of families offered registered “Occupancy Licenses” disappeared shortly after receiving them, possibly because they were engaged in illegal occupations.

2. Tenure may open the doors to take-overs by more affluent classes, as just discussed.

3. If tenure is given too easily, it may encourage further invasions. However, in spite of these potential problems, Angel is generally in favour of tenure for the poor.

It is, however, important to recognise that the granting of tenure can create two distinct categories of the urban poor: (1) those large numbers who, over the last 20 years have established themselves in informal settlements, and (2) those large numbers who will be entering the same market in the next 20 years. Public actions that help those whom we might call the “Oldcomers” may harm the “Newcomers”. As discussed above, the granting of secure tenure can be, in fact, a large and valuable subsidy, even if — as is sometimes the case — it is accompanied by a property tax. At the same time, as prices go up in areas once depressed by lack of title security, more and more parts of the city are closed to the new migrant — parts of the city that in some cases were well-located with respect to employment and other facilities essential to the economic survival of the new arrival, or, indeed, those born in the city but now reaching maturity and struggling to establish their “place in the sun”.

But the effects may not stop there. For example, if the granting of title gives incentives to Oldcomers to add extra rental rooms, these units may considerably increase the housing choices available to the poor. One study in Bucaramanga, Colombia showed, for example, that 75% of those interviewed in “pirate settlements” (where tenure is reasonably secure) indicated that they would begin renting units as soon as they had extra space to do so.

In summary, the thrust of the major progressive programmes of the last decade — sites-and-services and upgrading — have been to benefit substantially those who have received improved tenure from their operation, and, to the extent that they can be replicated on even larger scales, will continue to do so. If, on the other hand, they cannot be executed at a speed necessary to keep pace with the tides of urban population still to come, they may, in fact, make things harder for poor families newly entering the urban economy. To the extent that the legitimisation of titles raises land prices and imposes property taxation, Newcomers will find it more difficult to use the occupancy of a parcel of land as a springboard to economic security. Being unable to achieve ownership, they will be forced into the much more vulnerable position of tenants.
The era of commercialisation

Some of the reasons that the great cities of LDCs have been able to absorb so much migration have been (1) the loose pattern of pre-migration land-use, (2) the large amounts of publicly owned land (amounting to an informal sort of land bank), and (3) informality and complexity of the actors and institutions involved in the urbanisation process. The first 2½ decades of migration have, in most countries, already eliminated factors (1) and (2). That is, pockets of unused or underused land due to casual patterns of pre-World War II urban development have long since disappeared. Accessible public land has been inundated. Today we may be seeing the demise of the third element: the informality and complexity of actors and institutions.

In the past, urbanisation involved many separate roles: the original agricultural landowners; professional subdividers (or, in some cases, organisers of invasions); builders (of many sizes); financial institutions (public and private); sales agencies (in some cases); and, of course, many layers of governmental and semi-governmental agencies to give permits, or to be appealed to for various necessary services. These actors were in competition within each role, and among the various roles. Areas of activity could vary with the situation, and contractual obligations were often informal and unwritten. Politicians used permits and public services to build constituencies, and major national elections would provoke programmes of instant benefits to the urban poor to secure their vote a short time later. In short, this informality and personalisation of relationships reflected the ethos of the traditional societies that existed in most LDCs. The migrant from the countryside was familiar with negotiating at a personalised level, and could therefore understand and often penetrate the land-access system: for example, by playing off one actor against another.

The "pirate" subdivisions and "illegal colonies" that provide so much of the housing for lower-income families in so many countries formerly involved dealing with competing landowners or subdividers first, then pressuring government agencies for services later. The backyard tenancies of Bangkok and the tribal allocations in Africa are further examples (among others) of the importance to the poor of the complex, informal and loose institutional arrangements that once were the dominant pattern.

However, in many countries there appears to have been, in recent years, a rapid and ominous consolidation of actors in urban land markets. Led in some cases by financial institutions, in others by construction companies, and in still others landowners, a small number of players have been systematically buying all available peripheral land, and vertically integrating the urbanisation process from land acquisition through financing, construction to final sale.  

29 An excellent discussion of the interrelationship between politics and urban tenure in Mexico City and Bogotá may be found in Gilbert, A. and Ward, P., "Low-Income Housing and the State", in Gilbert, Hardoy and Ramirez, op. cit., footnote 28, pp. 79–128. See also de Wit, J., "Slum Dwellers, Slum Leaders and the Government Apparatus: Relations between Actors in Slum Upgrading in Madras", in Urban Research Working Papers, 8, Institute of Cultural Anthropology/Sociology of Development, Free University, Amsterdam, 1985, 68 pp.


This consolidation of power over both land and the technical and credit resources to develop it has presented great problems to governments as they attempt to acquire land for housing programmes of any type, land banking or indeed any other public purpose. The poor, particularly new arrivals, are now often confronted with a much more rigid and oligopolistic set of land suppliers, oriented to selling to the middle and upper classes, as compared to the pluralistic situation of the past.

Moreover, there is another important factor at work. In recent years the fiscal problems of many municipal governments have rapidly increased. Paradoxically, a part of the fiscal pressures now being felt may be the result of another set of well-intentioned programmes, namely: the large investments in road, water and sewerage, and other public services made in the last decade in many countries — often with encouragement and financial assistance from the major international development donor agencies. External aid helped provide the initial capitalisation for these extensive projects, but left the problem of their maintenance and repair to local governments. As time has passed, the costs of maintenance have increased, forcing the government units responsible to search for new sources of revenue. A number have looked to programmes of property cadastration, title registration and the real property tax as the most convenient means to create new income. While the local property tax may have much to be said for it in LDCs, its secondary effect of adding to the out-of-pocket costs of people living on the margin of existence may tend to dislodge the poor from the favourable central locations they still enjoy, opening such areas to either “downward raiding” by middle-income families, or becoming part of the overall consolidation of the land market just discussed.

Similarly, small private landowners in central areas, who once were willing to rent to the poor on reasonable terms, now find commercial land prices so high that widespread evictions are occurring. Likewise, government agencies of all types, which once tolerated squatting on their land, are often taking a much harder line as prices rise and they fear for having enough areas for their own purposes.

Low-income tenants, whether those who rent in the central core, or share occupations with their landlords in illegal or legalised subdivisions at the periphery, are particularly vulnerable to the processes now at work. They have few chips in the game of land access and as land markets tighten, it appears possible that their numbers will grow.32

In short, what we seem to be seeing (although documentation is still fragmentary) is an erosion or destruction of many of the institutions that have provided the absorptive capacities in the major cities of LDCs in the last 25 years. Land prices are rapidly becoming too high for effective government land banking, large-scale programmes of sites-and-services, or, indeed, housing programmes for the poor of any type. The private market, once diffused and penetrable, is becoming increasingly integrated and accessible only to the rich and upper middle classes.

A decade-and-a-half ago, sites-and-services and upgrading programmes, based on the granting of tenure and provision of services, appeared to be a paradigm

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32 Studies of rental markets are rare. Michael Edwards' work in Bucaramanga, Colombia may have been the first published study of any major city in Latin America. See Edwards, op. cit., footnote 28, pp. 131–132. See also Poppke, E.S., Squatter Settlements and Housing Policy, especially pp. 86–106. Washington, Agency for International Development Occasional Paper Series, Spring 1980. Official statistics for the 10 major cities in Colombia from 1938 to 1978 show a general decline in the percentage of dwellings rented. However, the numbers are still largely in the range of 40% or more. See Edwards, pp. 130–131. “A 1983 survey in Bogotá showed that there were ten demands for every offer of accommodation with less than [Columbian]$15,000 per month rental (and this is hardly a low rent).” José Ospina, “Self-Help Housing and Social Change in Colombia”, Habitat International 9, No. 3, 237, 1985. Studies of the significance of rental tenure in housing the poor are far behind the objective importance of this form of tenure, although research interest is now growing. See, “Rental Housing: A Rediscovered Priority”, The Urban Edge 8, No. 2, 1–5, February 1984.
that would be both efficient and equitable in serving the urban poor. The only question then seemed to be establishing these policies on an appropriately large scale. Today there is less reason for optimism that sites-and-services and upgrading projects can ever be mounted at rates comprehensive enough to supply the needs of the coming decades in many countries. It is even possible that in retrospect the decades of the 1960s and 1970s, with their ideology of a small plot and a house for every family, were a short-lived phenomenon, caused by a convergence of historical conditions unlikely to be repeated again. The realities of the future will more probably be a housing market in which a much larger proportion of the poor dwell in rental units, and for whom the hope of ownership of land and house will become increasingly remote. Because of increases in land prices, exhaustion of readily available land to distribute to the poor, and the consolidation of what remains into the hands of fewer owners, we may be entering a fifth era of the low-income housing problem in developing countries; an era for which paradigms of solution have yet to be devised.

DIRECTIONS OF SOLUTION

The current situation does not lend itself to easy resolution. There are, however, several general directions that may be outlined as areas for investigation and experimentation.

Some fundamental considerations

The question of adequate land for housing the poor is at root a question of supply. Sites-and-services and upgrading programmes were a far more effective way of dealing with the supply issue than earlier programmes in which governments attempted to provide both the land and a finished house, and will undoubtedly remain as useful tools in many situations. However, Hardoy and Satterthwaite, Payne, Peattie and other commentators all agree that the primary need now is to change the way in which land and property markets themselves operate.

Indeed, in a lecture at Harvard University in September 1971 — when sites-and-services and upgrading programmes were just beginning to come strongly into international favour — John F.C. Turner himself predicted that such programmes would never be able to meet demand. He argued at that time that the key to solving the housing problem was to concentrate on what he called the

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33 All World Bank shelter projects between 1972–1981 served 1,889,663 households (Learning by Doing, op. cit., footnote 20, Table 11, p. 46). Arbitrarily assuming a very high average household size of eight, this would equal some 15 million persons being benefited. This 10 year achievement is approximately 1% of the expected increase of 1,546 million persons in urban population in less developed regions in the 20 years between 1980 and 2000. Even after making generous allowances for the facts that the time span is double, that many of the persons in the expected growth will not be low income, that the World Bank has only been one of many actors, that rising incomes will make housing more affordable, and similar considerations, it seems clear that housing policies based on sites and services and upgrading projects, per se, will not be capable of meeting the demand. Moreover, with respect to the ripple effect anticipated through the hoped-for rapid replication of sites and services and upgrading projects, Hardoy and Satterthwaite have pointed out that of 17 countries to adopt sites-and-services which they surveyed, only two (Sudan and Tanzania) have made them a central part of their housing policies. Hardoy, J.E. and Satterthwaite, D., Shelter: Need and Response: Housing, Land and Settlement Policies in Seventeen Third World Nations, p. 251, Chichester, Wiley, 1981. See also Payne, G.K., “Introduction”, in Low-Income Housing in the Developing World: The Role of Sites and Services and Settlement Upgrading, Payne, G.K. (Editor), pp. 1–14, especially pp. 4–8, Chichester. Wiley, 1984.

34 Upgrading in the mode of the Indonesian Kampong Improvement Programmes, which improve the quality of services without insisting that tenure be regularised — and which account for the largest number of beneficiaries among all World Bank sponsored urban programmes — may still remain one of the most robust of past programmes.

“Basic Elements”, from which all infrastructure as well as dwellings are created. These he identified as being in seven categories: land; finance; materials; tools; information/technology; management; and labour.

An intervention which dramatically changed the terms of finance could, for example, result in the production of more dwellings than a hundred public housing projects or a dozen sites-and-services programmes. Similarly, new institutions that would fundamentally change the nature of land markets and their accessibility would be essential to any truly effective policies. Structural/institutional changes in these seven elements (with the first three general being the most critical) were the crux of the matter.

Unfortunately, as Turner recognised, as one moves further away from finished dwellings (i.e. conventional “public housing”) toward structural change, political resistance increases rapidly. Indeed, resistance to the far lesser institutional changes implied by sites-and-services and upgrading programmes has, in many countries, been intense.

However, hard experience is now producing a convergence of opinion — among both academics and major national and international agencies — that new paradigms, often based on fairly fundamental institutional changes in these seven areas, are becoming necessary. It is obviously not possible in the scope of this paper to explore the full implications of this approach. What follows are some explorations with respect to one narrow aspect of the larger proposition, namely: land tenure.

Structural changes in government policies toward urban land

The constitutions of most LDCs require that any land taken for public purposes must be compensated for at full market value. Given the highly speculative nature of the land markets in most cities, and the ease with which existing large landowners can ascertain government intentions in advance, “market price” for even the most modest government programmes is increasingly prohibitive.

Furthermore, even when governments have the funds and the political will to act, outmoded legislative provisions regarding expropriation, and/or inadequate cadastral and recording systems make all acquisitions painful and protracted, often running as long as two, or even four, years, by which time other costs, or even the nature of the problem, may have substantially changed. The improvement of cadastral and recording systems and the streamlining of legislation regarding government acquisitions are therefore threshold steps toward increasing land accessibility.

Direct rent and price controls over land and housing, including the “land ceiling” act in India and “housing property ceiling” law in Sri Lanka have been attempted, but have not been notably successful. In some cases the administrative machinery has been inadequate for enforcement. In others, the mechanisms themselves have been self-defeating, for much the same sorts of reasons that rent controls generally have negative long-term effects.6

Heavy taxation of vacant land holdings and/or betterment values caused by government actions are two other methods by which structural reorientation and new legislation could attack the present situation. These would obviously have heavy going in the political climate of most LDCs today.

Other, more sophisticated systems, such as the Japanese system of land price control, are possible directions of moving, even within highly private-ownership-

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oriented societies, but require an administrative capability that is probably beyond most LDCs.\textsuperscript{37}

**Participatory strategies: allowing the poor themselves to participate in the urban land market action**

One student of Latin American urbanisation has suggested an innovative plan by which participants in sites-and-services projects would receive double the area of sites normally awarded. At the end of five years, when the greatest surge in land prices occurs, the occupant could subdivide and sell the “second” site at a profit sufficient to repay the full costs of the original project (including interest during the five years).\textsuperscript{38} Using data from Mexico City, this plan has been calculated out in considerable detail and in theory appears workable, although it does have certain drawbacks, the most immediate of which are the difficulties inherent in a 100% increase in public acquisitions and the fact that the first grantees would be profiting at the expense of those arriving five years later, and thus would be buying into the market at greatly increased prices. (Another case of the “Oldcomers versus the Newcomers” phenomenon discussed above.)

**Large-scale public interventions**

A more sweeping solution was proposed in the 1980 housing programme of South Korea, under which direct land acquisition and land readjustment are managed so that some of the increases arising from development projects can be used to cross-subsidise portions of such projects for the poor.\textsuperscript{39} A comprehensive published evaluation in English of the success of this programme has, to the best of the writer’s knowledge, still to be made.

**Community land ownership**

One suggestion that exploits the advantages of public land ownership and land banking while avoiding their advantages recommends that title to urban land and infrastructure be held by a community unit with freehold tenure applying only to houses and other improvements. Building to some extent on the more than half-century of experience of Letchworth and Welwyn New Towns in Britain, Sham Turnbull of Australia has made the most concrete recent proposals in this field.\textsuperscript{40} He proposes that tenure in residential areas should be in the form of “Co-operative Land Banks” (CLBs) in which families would have perpetual leases to individual units, but all common areas in buildings, as well as all land and infrastructure would belong to the co-op, a corporate entity in which all participants would own shares of stock. CLBs differ from existing condominiums and co-op apartments in three important respects:

1. they would be complete neighbourhoods or communities, ranging from perhaps 3,000–50,000 persons, and would have public services appropriate


\textsuperscript{40} Turnbull, S., “Cooperative Land Banks for Low-Income Housing Schemes”, in Angel et al., *Land for Housing the Poor*, op. cit., footnote 3, pp. 512–526. For further information on how Turnbull’s ideas might be applied to other economic and social institutions, see *Democratising the Wealth of Nations from New Money Sources and Profit Motives*. Sydney, The Company Directors Association of Australia, 1975. See also, “Community Land Bank: The Way Forward”, *Town and Country Planning* 55, No. 9, 237–238, September 1986.
to their size, and would act as landlord of all the commercial and industrial sites in the community;

2. owners of perpetual leases would own shares proportionate to the area occupied by their leasehold improvements; and

3. the corporation would have no control over those to whom a leaseholder chose to sell at any time, but would set the price of the common areas transferred, although not the price the market put on the aggregate value of both common areas (stock shares) and improvements.

CLBs would be self-financing: whenever a shareholder wished to sell, the corporation would set the value of the land, infrastructure and common areas. Whenever a sale was made, one-half of this value would go to the company, and one-half to the selling shareholder. Thus, as the value of land and housing increases, the “betterment” would be shared by both tenants and the community. On the other hand, any increases in the value of improvements, having been made through the efforts of the shareholder, would come to him or her. Moreover, the corporation would have continual income from renting its commercial and industrial lands, as well as from annual assessments collected, as needed, from all participants.

With respect to initial capitalisation, Turnbull hopes that the owners of undeveloped land would be interested in joining a co-op in exchange for shares, since it would mean development of their land while they would continue to participate in the increased values that development brings rather than merely getting a one-shot profit.

It is not within the scope of this paper to go into the fairly complex details and pros and cons of Turnbull’s proposals, but merely to note their existence. Something very like his community has, in fact, existed in a self-governing community located near the heart of Bogotá (Barrio Policarpa) for more than a decade, and appears to have worked. Other pilot programmes in Hyderabad, India (“Habitat Hyderabad”) and in Bangkok (“Building Together”) use some of the Turnbull principles in assembling land and installing infrastructure, but have not experimented with his idea of permanent shared ownership in all land, infrastructure and common facilities. (In the Hyderabad and Bangkok projects there is sharing and co-operation until the project is complete, but individual plots are then allocated in freehold to individual families.) Other experiments are occurring in the US and Canada with what is called “Mutual Housing Associations” (limited equity co-operatives).

The written literature on community ownership of land and private ownership of improvements appears to be sparse. Success of the complete Turnbull system would appear to depend on quite favourable cultural, political and economic conditions, as well as an exceptionally dedicated and capable local leadership.

However, at the theoretical level, community land ownership on a continuing basis seems to be one possible direction out of the present dilemma. It has most of the advantages of traditional land banking, but decentralises the heavy-

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42 For a case study and brief summary of recent US and Canadian experience, see Goetze, R., The Mutual Housing Association of Baltimore: An American Demonstration of a Proven European Concept. Washington, D.C., The Neighborhood Reinvestment Corporation, forthcoming, ca 45 pp. The European concept referred to is that of the West German Wohnbaugenossenschaften (workers’ co-operative housing).

43 For a recent study of such associations in three settlements in Turkey, see, Aksoy, Y., “Voluntary Associations in Urban Squatter Settlements”, Habitat International 9, No. 3/4, 225–233, 1985. For a perceptive account of the manipulation that occurs by the leaders of low-income settlements in Madras, see de Wit, J., “Slum Dwellers, Slum Leaders and the Government Apparatus: Relations between Actors in Slum Upgrading in Madras”. op. cit., footnote 29, pp. 1–63, especially pp. 53–56.
handed and inefficient administration of land from national bureaucracies down to a level where the body in charge (community organisation) can respond to the nuances of the actual situation.

The paradigm of community ownership is clearly in a race against time. Once the stock of vacant land is consolidated by the process of commercialisation discussed above, it will be hard for a community ownership approach to be inaugurated. On the other hand, Turnbull’s ideas clearly have enough merit and historical precedent to warrant more experimentation and evaluation. While he conceives them primarily as operating in peripheral areas, there is some thinking in Bangkok now of applying the concept to certain existing slums, as a superior form of upgrading. Moreover, it is in harmony with the concepts of shared ownership now becoming more common in developed countries: in condominiums, land trusts and a dozen other manifestations.

Financial interventions

For the reasons outlined above, physical interventions by governments in land markets are becoming increasingly difficult. However, it is worth remembering that almost all governments have extensive power over their banking systems which, if imaginatively managed, may have considerable impact over the availability of urban land. The strict prohibition of credit for transactions related to land speculation, for example, might have a dampening effect on price escalations in a number of situations. Geographically “targeted” credit also has a potential for determining where development can and cannot occur. Small credit programmes specifically designed to facilitate the addition of extra rooms could, in some urban markets, quickly and dramatically increase the supply of rental accommodation. And so forth.

Interest is growing in this aspect of urban land markets, and it would appear to be an area of considerable promise.

New policies with respect to tenants

If, as seems likely, an ever greater proportion of the urban poor are going to be housed in rental units rather than given the opportunity to someday be given access to a site on which to build, more attention must obviously be given to their special needs. One direction of solution is that of Singapore, which first mounted a massive programme to provide rental units, and now is in the process of selling those units to their occupants. (In the United Kingdom, a similar policy of transferring council housing to its occupants was instituted in 1979.) Such programmes, however, are far more easy to apply to publicly owned housing than to the private rental stock, which makes up the bulk of rental accommodation in most countries.

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44 See Angel with Chirathamkijkul, T., “Slum Reconstruction” etc., op. cit., footnote 41.
45 The Land Bank of the Commonwealth of Massachusetts (actually a financing agency) has been assisting cooperative housing projects in which any future transfer of units must be at original value — as adjusted by the Consumer Price Index or other formula — irrespective of increases in the general housing market. Deeds restricting land to moderate income housing have been another way that the Land Bank has supported tenure arrangements aimed at limiting excessive increases in prices. Conversation with Michael Shaaf, Project Manager, Massachusetts Land Bank by author, 23 September 1986. The Institute for Community Economics, a private non-profit corporation in Greenfield, Massachusetts, provides technical and financial assistance to community land trusts, limited-equity co-operatives and other grassroots organisations around the USA that are working toward shared ownership concepts, particularly among the poor.
Protecting tenants through rent control is likely to be counterproductive in terms of the creation of new units and the maintenance of the old, and, in any case, is difficult or impossible to enforce.

Legislation for the registration of leases or the creation of housing courts to protect tenants are cumbersome and will be disregarded as long as the poor are desperate for any form of shelter.

Ultimately, the only satisfactory solution will be the creation of rental accommodation at rates that approximate the growth in demand, so that the relative bargaining position of the parties is more equal. One might predict, therefore, that a possible major change in housing policy in the next decade will be toward the encouragement of rental construction as a supplement of the increasingly difficult ideal of an individual site and house for each family. The encouragement of rental units will in some respects be less complex than the awarding of full tenure. On the other hand, it will remove many of the economic advantages of ownership and the release of energy and mobilisation of resources that have accompanied the granting of tenure. New and ingenious formulations that will retain the best of both worlds and minimise the disparities between migrants already arrived in cities and those still to come, must be devised. More complex forms of tenure and new vehicles of shared ownership, offer challenging paths for ingenuity.

Condominiums for the poor?

The concept of “horizontal property”, or condominium ownership, by which persons may have absolute title to only part of a building is an old one in Europe, and was imported in many parts of Latin America with European immigrants after the Second World War. Its acceptance in the USA did not come until the 1970s, but it is now a popular form. Indeed, the “shared time” vacation home in which ownership is divided among as many as 52 persons, each having a right to one week of occupancy per year, is an extreme form of division of property rights both in space and time.

As indicated above, rental tenure arrangements are frequently complex in low-income areas in developing countries, but generally on an informal basis. As cities become increasingly dense, such arrangements will surely multiply. It is not difficult to imagine legislation that would facilitate the registration of a broad variety of partial ownerships, both “vertical” and “horizontal” (and perhaps in time as well), suitable for use in low-income areas.

Thus, although the old ideal is of small plot and house for every family, which in many cities is becoming physically and financially impossible, it could be replaced by programmes with the objective of awarding ownerships, but to parts of multi-dwelling unit structures. As mentioned, Singapore is already converting much of its immense stock of housing into this format. Although conditions would be more complicated in less standardised structures than those in Singapore, the principle would be the same.

Using this approach, groups of families or friends could purchase and/or construct in cases in which no single family would have sufficient resources on its own, yet all would receive individual tenure rights in whatever was purchased or produced. While progressive improvements would be more difficult to carry out in this situation, ingenious designs might be devised to facilitate them.

A large array of shared but full tenure options, now growing in many countries for the middle class and rich, could be extended to lower income housing as well.

48 For further information on the rental problem generally, see Edwards, M., op. cit., footnote 32, pp. 129-158, especially pp. 149-151.
49 See footnote 21.
CONCLUSION

In the introduction it was suggested that every society, at every stage of its development, must invent a paradigm of land tenure that optimises efficiency while maintaining enough equity to keep the society stable. In the almost 150 nations that constitute the present world community, there are almost as many solutions as there are countries. The problem in LDCs is that urbanisation and social change have been occurring at such rapid rates that it has been difficult or impossible for institutional adjustments to keep pace. Even scholars of such problems, and the professional staffs of international agencies, whose specific task it is to understand and advise, must constantly revise their understanding of realities to keep abreast.

Obviously, none of the directions mentioned above is a panacea. Urban land policy for each country (indeed, each city) is a complex undertaking and must necessarily involve a large number of policies and instruments, carefully orchestrated to be mutually supportive. What has been attempted here is a general overview of where we have been in approaches to using tenure arrangements to improve housing conditions for the urban poor, and to suggest that a review of “conventional wisdom” may be in order. The circumstances that existed in cities in the 1960s, to which our current paradigms are based, were an imaginative — and in many ways successful — response. However, the rapid and apparently inexorable tightening of land availability combined with a consolidation of control over supply present a different set of challenges. These factors have not only diminished opportunities for individual low-income families but raised the costs and complicated the administration of the public programmes now most favoured.

New explorations are needed: into the degree of oligopolistic control that is in fact being created; into the potential of shared ownerships; and, perhaps, most important, into the operation of rental markets which affect so many of the urban poor, and about which we now still know remarkably little.

Life itself is constant adaption. In every culture, new forms of land tenure have been invented to serve new social needs. It is now our turn to make our conceptualisations of solutions change at least as rapidly as the urban areas for which we make proposals.