

HOUSING THE URBAN POOR: AN INTEGRATED GOVERNANCE

PERSPECTIVE. *The Case of Dhaka, Bangladesh*

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It is claimed that low-income people of Dhaka city do not have the financial ability to enjoy a decent living (housing) environment. There is a gap in how low-income people can afford houses with support from formal financial institutions given their lack of available financial means. Access to formal financial means is greatly hindered by the very fact of their poor finances and the absence of any form of land tenure security. This study responds primarily to the critical issue of whether government is unaware of the informal housing practices currently in place at the community level or that government is ignoring the need for low-income affordable housing.

In this study, the concepts of deliberative dialogue and partnership are explored, within the local governance paradigm, to try to reveal the resources that are rooted in the 'informal' low-income housing community and those reflected in the 'formal' private and public housing gatekeepers. The theory of social business is discussed to examine whether affordable low-income housing could be produced by building partnerships among the vested actors, of whom the low-income community is both a beneficiary and a partner. This study finds that beyond the 'formal' framework of housing, there is an informal housing market where de facto owners purchase 'business tenure security' and tenants buy 'house rental tenure security'. Moreover, an informal financial organization (e.g., Jhilpar cooperative) has emerged as a creative innovation for business investment and for disbursing collateral-free income generating loans to low-income people.

This study finds that Jhilpar inhabitants pay nearly 30 percent of their monthly income to housing: in absolute values they pay even more than middle- and some high-income populations who understandably enjoy better housing services and amenities. Moreover, the slum inhabitants pay more for a limited supply of basic services i.e., electricity. This study concludes that the formal housing gatekeepers lack knowledge of the 'informal' sector i.e.; the actual financial ability of low-income people; understanding of the systematic operation of community-based cooperative business and the location decisions (employment-location-of-slum-nexus) related to slum settlements. This substantial lack of knowledge causes inappropriate decisions on the part of the housing gatekeepers. Lack of such knowledge has led to low-income housing projects that have never been successful to benefit the urban poor: rather other income people benefit instead. In most of the low-income housing projects 'land title', 'sites and services scheme' and 'relocation of the slum inhabitants to other places' are the most commonly pronounced schemes that disregard the reality and strength of 'informality' in low-income areas. Such a knowledge gap also precludes private and public housing gatekeepers to employ their strengths and resources either as 'enablers' or as 'providers'. To improve the impasse of affordable low-income housing, this study advocates the principles of social business to be applied in housing for the urban poor. This study shows the 'social business model for low-income housing' as the most effective option in Dhaka city where partnerships are built on a 'no loss, no profit' principle and on an 'investment' mindset that is currently based on a 'give away' principle where there is no return on investment.

Keywords: Housing affordability, tenure security, social business, partnership, deliberative dialogue, cooperative business, informality.