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## SUSTAINABLE URBANISATION: A SHACK BY ANY STANDARDS

*It has to be remembered that slums have always been part of market societies. In the long run, the goal of cities without slums is only going to be achieved in a predominantly market economy once a good majority of the urban work force has middle-class incomes. How to achieve this major aim of development is rooted in controversy but it is something that needs to be addressed and addressed urgently by all Habitat Agenda partners, Governments, local authorities, the private sector, non-governmental organizations and ordinary citizen. Adequate shelter can and must be made affordable.*

A shack, about 2 metres long and 2 metres wide, is home to a family composed of husband, wife and four children. It is just one of 7700 such shacks in a street behind the residential area in Delhi where the mother of this family works as a domestic help. Her husband is a plumber and her children study at a nearby government school. The striking aspect of this situation is that the wife holds a steady job, and her husband has a skill that is considered to be highly rewarding in industrialized countries. Yet, they are forced to live in a shack with considerably less than 1 square metre of space per household member.

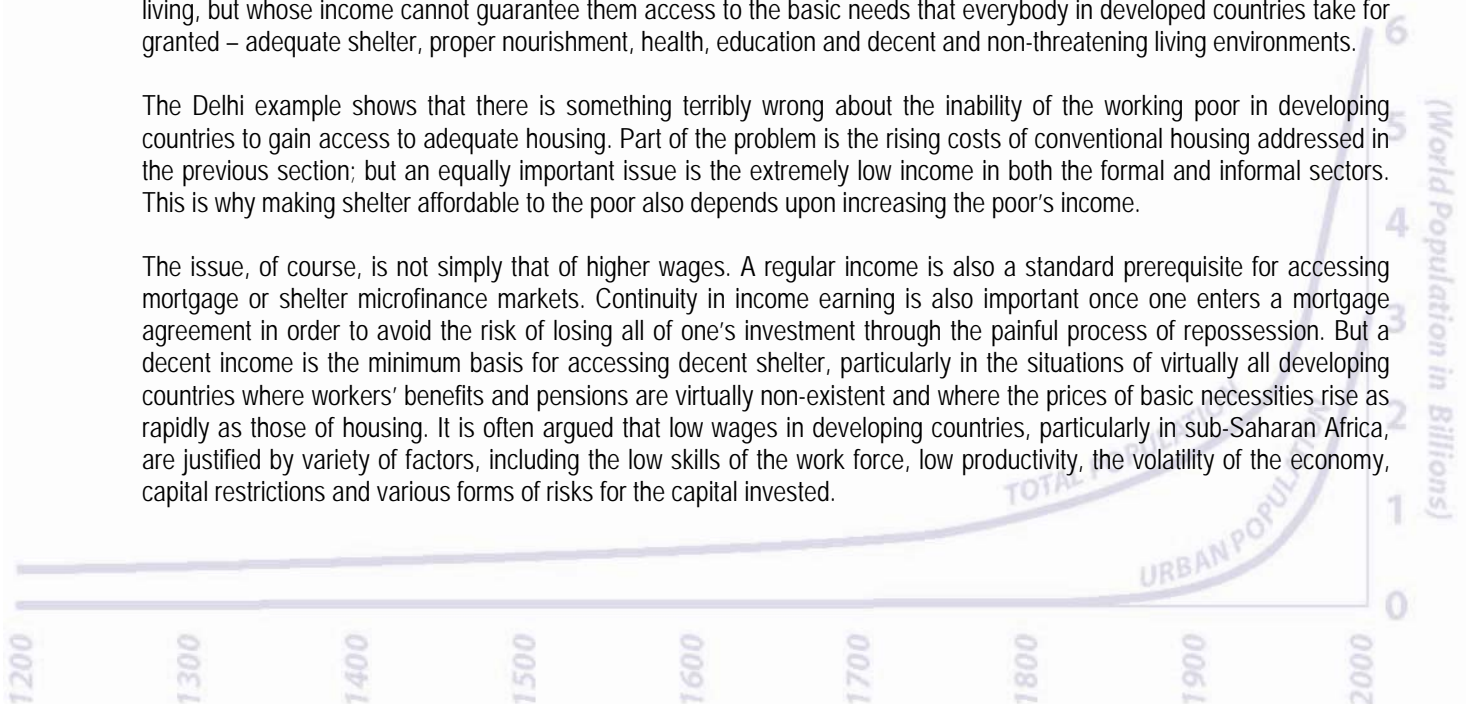
By the same standard, a small 100 square metre apartment in a rich country could hold roughly 150 people – all of whom, however, would enjoy the considerable advantage of protection from the elements, a well-functioning communal toilet, the luxury of running water and electricity, and protection against forced evictions at least as long as public health officials did not report the intolerable overcrowding condition of that particular dwelling unit).

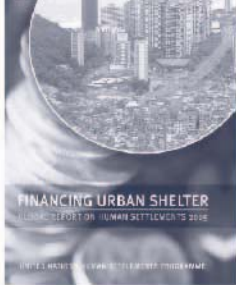
The circumstances described above are very similar to those experienced by the vast majority of the more than 900 million slum dwellers all over the world, whose adult members often hold jobs or rely upon some kind of regular revenue-generating activity. In the developed world, a household with two sources of income, wife and husband, however humble the occupation or the source of income may be, normally can gain access to decent shelter on the market, however modest.

In the developing world, this is virtually impossible – hence the virtual necessity of finding affordable inadequate shelter in a slum. People who live in slums are known as ‘slum dwellers’. In reality, they are ‘working poor’: people who work for a living, but whose income cannot guarantee them access to the basic needs that everybody in developed countries take for granted – adequate shelter, proper nourishment, health, education and decent and non-threatening living environments.

The Delhi example shows that there is something terribly wrong about the inability of the working poor in developing countries to gain access to adequate housing. Part of the problem is the rising costs of conventional housing addressed in the previous section; but an equally important issue is the extremely low income in both the formal and informal sectors. This is why making shelter affordable to the poor also depends upon increasing the poor’s income.

The issue, of course, is not simply that of higher wages. A regular income is also a standard prerequisite for accessing mortgage or shelter microfinance markets. Continuity in income earning is also important once one enters a mortgage agreement in order to avoid the risk of losing all of one’s investment through the painful process of repossession. But a decent income is the minimum basis for accessing decent shelter, particularly in the situations of virtually all developing countries where workers’ benefits and pensions are virtually non-existent and where the prices of basic necessities rise as rapidly as those of housing. It is often argued that low wages in developing countries, particularly in sub-Saharan Africa, are justified by variety of factors, including the low skills of the work force, low productivity, the volatility of the economy, capital restrictions and various forms of risks for the capital invested.





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Financing Urban Shelter



However, some of these negative factors may not play such a large role today as they did previously. Rising levels of literacy, even in most of the poorest countries, coupled with the rapid removal of capital and profit-repatriation restrictions, have introduced much more favourable conditions for domestic and foreign direct investment (FDI) in the industrial and services sector. The fact that migrants with little or no formal education tend to find all sorts of jobs in developed countries shows that their skills are dramatically underutilized in their countries of origin. China, which boasts an extremely skilled and active pool of labour, still registers very low wages in comparison with the massive and rapid growth of its economy. From the point of view of sheer equity, it is hard to explain to a construction worker in a developing country that he may never afford to live in any of the houses he builds or drive on any of the roads he paves, while his counterparts in richer countries can.

On the other hand, economists and policy-makers tend to disregard important factors that dramatically lower productivity in developing countries, all linked to the residential circumstances of the working poor. Among them are lack of hygiene, leading to health vulnerability and consequent loss of working days and, more dramatically, high mortality rates; living environments that are the least conducive to decent recuperation after a day's hard work; constant exposure to the risks of violence, assault, theft and forced eviction, leading to mental stress, physical injury and long-term traumas; long commuting times spent, at best, in crowded, dangerous and unreliable means of public or parapublic transport and, at worst, walking at pre-dawn, dusk and after sunset on often unpaved paths. Is it unrealistic to assume that improving the residential circumstances of the working poor would ultimately lead to higher productivity, higher profits, higher wages and, more generally, to a virtuous cycle that could ultimately make the living and shelter conditions of workers more comparable across the North-South divide?

The argument above is in favour of investments in improving the living conditions of the urban poor through sustainable shelter as a precondition for sustainable economic and social development.

## Demographic Indicators

	Level of urbanization (%)		Urban population				Rate of change (%)		Rural population		Total population	
	2000	2030	Estimates and projections (000)				2000-2030		Estimates and projections (000)		2000-2030	
			2000	2010	2020	2030	2000-2010	2010-2030	2000	2030	2000	2030
<b>World Total</b>	47.1	60.8	2,856,927	3,505,347	4,215,397	4,944,679	2.0	1.6	3,213,654	3,185,470	6,070,581	8,130,149
<b>WORLD MAJOR AGGREGATES</b>												
More developed regions	73.9	81.7	882,465	928,632	974,228	1,014,773	0.5	0.4	311,407	227,505	1,193,872	1,242,278
Less developed regions	40.5	57.1	1,974,462	2,576,716	3,241,169	3,929,906	2.7	1.9	2,902,247	2,957,965	4,876,709	6,887,870
Least developed regions	25.2	43.3	167,957	257,330	381,129	544,304	4.3	3.6	499,800	712,511	667,757	1,256,815
Landlocked developing countries	25.9	38.1	84,462	114,292	161,568	228,657	3.0	3.5	240,396	367,169	326,225	599,807
Small island developing states	54.8	63.4	28,037	32,839	37,889	43,137	1.6	1.3	23,094	24,891	51,132	68,026
<b>UNITED NATIONS REGIONAL GROUPS</b>												
African States	37.1	53.5	295,348	417,186	568,199	748,158	3.5	2.8	500,323	649,846	795,671	1,398,004
Asian States	37.1	54.5	1,366,980	1,770,494	2,214,364	2,664,282	2.6	1.8	2,312,757	2,222,364	3,679,737	4,886,647
Eastern European States	68.3	74.3	207,850	200,624	196,183	191,976	(0.4)	(0.2)	96,688	66,281	304,538	258,257
Latin American and Caribbean States	75.5	84.6	392,982	471,708	542,392	601,726	1.8	1.0	127,247	109,332	520,229	711,058
Western European and Other States	72.7	79.6	529,058	533,808	540,068	545,369	0.1	0.1	198,928	140,070	727,986	685,440
<b>HUMAN DEVELOPMENT AGGREGATES</b>												
High human development	76.6	84.2	901,011	983,241	1,058,287	1,122,972	0.9	0.6	275,302	210,793	1,176,312	1,333,768
Medium human development	41.1	57.8	1,688,509	2,133,279	2,604,927	3,064,454	2.3	1.6	2,416,847	2,235,381	4,105,359	5,299,833
Low human development	31.3	49.3	216,584	324,409	470,027	652,554	4.0	3.3	474,819	672,117	691,402	1,324,667
<b>INCOME AGGREGATES</b>												
High income	77.3	84.7	722,636	782,919	837,366	885,084	0.8	0.6	212,075	160,056	934,711	1,045,142
Middle income	50.8	69.0	1,494,433	1,847,789	2,188,966	2,473,662	2.1	1.2	1,447,655	1,110,360	2,942,091	3,584,020
Upper-middle income	74.9	84.1	243,436	285,489	325,256	360,017	1.6	1.0	81,525	68,125	324,959	428,139
Lower-middle income	47.8	67.0	1,250,997	1,562,300	1,863,710	2,113,645	2.2	1.3	1,366,130	1,042,235	2,617,132	3,155,881
Low income	29.1	45.3	637,926	872,391	1,186,558	1,583,217	3.1	2.9	1,553,718	1,914,890	2,191,643	3,498,102

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