

# Evolution of the Housing Development Paradigms for the Urban Poor: The Post-war Southeast Asian Context

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Worldwide, providing sufficient housing has been a main concern of planning, and numerous endeavors have been made to meet the growing needs in this field. In Southeast Asia, a negative combination of the rapid population growth in metropolises and unsatisfactory housing supply due to inadequate policy responses has caused the proliferation of substandard settlements. With the aim of relieving the urban housing crisis, a variety of proactive approaches through different channels have been proposed. However, past experiences in Southeast Asian countries substantiate that neither top-down —mass public-housing schemes— nor bottom-up —self-help housing practices— approaches can stand alone. Based on these lessons from history, the housing development paradigms for the urban poor have undergone a major shift amid the advancement of neo-liberalism since the 1980s. Within this shift, a new strategy of enablement has been introduced, encouraging the utilization of markets and the institutionalization of civil society as an official development partner. One phenomenon, increasingly apparent from the 1990s, is that under this enablement strategy within the new political economy, dynamic intersectoral collaborations among concerned actors are being pushed forward, which is expected to lead to the delivery of more democratic planning styles. It is important to note that, despite the decrease in direct government interventions, governments still persist as the major player in overall development, attending to the reconstruction of renewed interdependent relationships between the state and citizen.

## 1. Introduction

Since the end of World War II, housing development has gained significance within policy arenas in the public domain. This is partly a reflection of the shift from warfare to welfare regimes addressing social and human development. However, it should be remembered that initial motivations driving postwar development were stemmed from fundamental aspirations to restore devastated cities. While such tendencies may be identified worldwide, the proportion of low-income households clustering in substandard settlements has continued to increase, and remains high in developing countries.

The reasons for this trend are at least two-fold. First, urbanization pressures have been more intensive in developing countries than in developed countries (Dimitriou, 1990). Particularly in Asia, a sharp rise in foreign investments has led to major industrial structural changes in many countries. The rapid growth of export-oriented industrialization has in turn reinforced concentration in primate cities. Owing to massive internal migrations from peripheries to centers, housing demand in urban areas has reached a level unprecedented in human history. Second, housing is often regarded as a social cost instead of a productive investment, and thus housing policies have

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seldom been incorporated into national goals. In fact, few governments in developing countries were concerned with housing policies despite accumulative growth in metropolises. Such a climate of neglect was exacerbated by the assumption that the housing sector was unproductive (Choguill, 1995). While it is commonsensical to expect housing to be supplied in the right place, at the right time, and in the right quality and quantity in tandem with the changing economic landscape, housing policies in many developing nations have simply not kept pace.

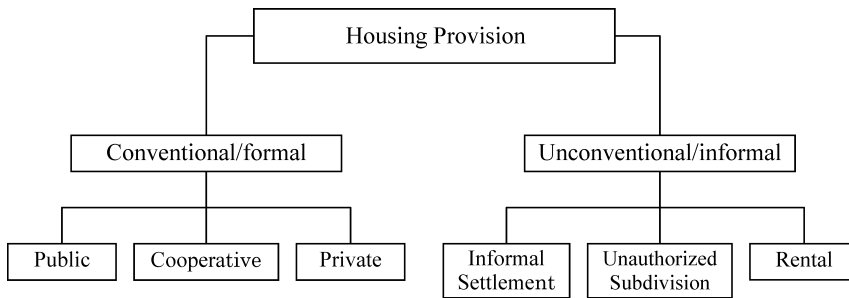
As a consequence, informal settlements started to emerge as shelters for uncounted urban inhabitants. Generally speaking, most governments regarded the mushrooming of informal settlements as a transitional phenomenon that would gradually fade away with economic development (Hardoy and Satterthwaite, 1989). In reality, however, slum districts have swelled as economic development pushed the poor out of housing and land markets. The housing crisis, with its expansion of dilapidated living environments, is therefore inextricably linked to global economic forces, coupled with the lack of appropriate government policies to deal with accommodating people under conditions of drastic structural changes. Inasmuch as informal settlements have existed for years, problems pertaining to the housing of the urban poor trace lines of continuity with the past; but these have become more striking on the policy agenda amid massive modernization, urbanization, and industrialization in the postwar period.

This type of development pattern appears explicitly in most Southeast Asian countries. A distinctive trait in the region is the phenomenal increase of urban population for the last several decades. As Table 1 displays, the total urban population in major selected Southeast Asian countries has been on the rise particularly since the 1980s. Notwithstanding spiraling housing needs, most megacities have lost control in catching up with the influx of migrants, by virtue of inadequate policy responses based on an ill-conceived development discourse. As a result, the proliferation of informal settlements, which characterize the urban scenery of Southeast Asian metropolises, has become a common social issue. For example, in Metro Manila, while any estimates of the population in informal settlements are unlikely to be perfectly accurate, there is general agreement on the number of around 4 million in the latter half of the 1990s (Karaos, 1996; Shatkin, 2004). Of special note is that the urban housing crisis in Southeast Asia today has been aggravated and further complicated by the increasing proportion of inhabitants who are impoverished in terms of living conditions and whose housing statuses are unrecognized in a *de jure* sense.

**Table 1** Urban Population Growth and Growth Rates in Selected Southeast Asian Countries, 1960–2000

Country	Urban population (in millions)					Average annual urban population growth rates (%)			
	1960	1970	1980	1990	2000	1960–1970	1970–1980	1980–1990	1990–2000
Indonesia	14.0	20.5	33.5	52.3	77.1	4.9	4.5	3.9	3.2
Malaysia	2.1	2.9	4.7	7.3	10.3	4.8	4.4	3.4	2.7
Philippines	8.5	12.4	18.1	25.8	36.3	3.8	3.6	3.4	2.9
Thailand	3.6	4.8	8.1	12.6	19.3	5.1	4.5	4.2	3.7

Source: Rondinelli (1991, p. 793)



Source: Revised by the author, based on Keivani & Werna (2001b, p.193, quoting Drakakis-Smith)<sup>1</sup>

**Figure 1 A Conceptual Model of Housing Provision in Developing Countries**

As the extent of the housing crisis has become more visible, various approaches to housing through different channels have evolved, leading to a diversification of not only the logics behind the approaches but also the actors involved in the planning process. As Figure 1 shows, modes of housing provision can be categorized generally into conventional/formal or unconventional/informal. The conventional/formal mode indicates the provision through official channels of planning, as with public housing schemes and private sector developments. On the other hand, the unconventional/informal mode refers to housing produced outside statutory planning frameworks: informal settlements, unauthorized subdivision, and low-income rental housing (Keivani and Werna, 2001a: 2001b). Having said this, however, it cannot be denied that the diagram is too straightforward to encompass the complexity of real world applications, and that many derivative sub-categories within each mode need to be elaborated. More importantly, the dichotomy between the two modes is a false one, as they are not completely separated and there is no clear-cut line distinguishing actors of each mode.

In order to explicate the dynamics of intersectoral interactions transcending the customary theoretical divides, this study begins with a review of housing development paradigms for the urban poor with reference to experiences in Southeast Asia. The objectives of the analytical review are to scrutinize: (1) the trajectory of approaches to housing—from top-down to bottom-up—as a developmental tool, giving emphasis to both theoretical principles and practical schemes; and (2) the role of different actors—the public, the private, and the non-government sectors—in housing development. This study gives particular weight to a pronounced shift in the development model against a backdrop of neo-liberalism, as represented by the move to the adoption of a three-cell democratic model in which civil society exists autonomously between the public and the private sector. Based on the discussions outlined above, this study investigates the degree to which such a shift has added impetus to reconstructing the meaning of government interventions and enlarging the influence of third parties, which have come to assume some of the responsibilities abdicated by governments.

## **2. Transition and Overlap between Top-down and Bottom-up Housing Approaches**

For several decades after the World War II, the housing development paradigms in the third world have observed a cut and thrust between government-driven “top-down”

initiatives to people-based “bottom-up” practices. In Southeast Asia, during the early industrialization phase of national development between the 1960s and 1970s, top-down schemes served as the dominant development paradigm. Large-scale public housing projects were carried out by introducing mass construction in pursuit of modernist principles proclaiming “equal benefits for the greatest number.” Consequently, capital-intensive public housing projects, which provided cost-effective package units for large populations, were generally recognized as the main direction of housing development. Modern technologies, imported materials, and uniform designs were the essential components of those projects. Coupled with demolition and redevelopment ventures aimed at quantitative targets, this kind of standardized housing planning was positively accepted by a number of governmental bodies as a way to achieve efficient distribution of resources.

A successful case of top-down initiatives is found in Singapore, where the bottom line of public housing development is the verticalization of space to fully utilize limited land. Success here manifests as high-rise, high-density residential complexes. Several characteristics distinguish Singapore from its counterparts: (1) accelerated economic growth and controlled in-migration; (2) slow expansion in the economically active population and sharp income increases; and (3) a large portion of land owned by the state when housing projects began (for details, see Hardoy and Satterwaite, 1989). Of the three, the most salient attribute is the proportion of government-owned land at the outset of housing development: around 55% of the island’s land was taken up by the government and its related agencies like the Housing Development Board [HDB], the Jurong Town Corporation, and the Port of Singapore Authority (Casanova *et al.*, 1979).

An additional characteristic discovered in Singapore is the existence of well-structured institutional settings aligned to offer housing options in the wake of slum clearances. In Singapore, the HDB was created in 1960 before the independence of the nation from Malaysia in 1965; it was mandated to administer overall housing development throughout the island based on five-year building programs. With the enactment of the Land Acquisition Act of 1966, the HDB bore the primary responsibility for acquiring land for public housing projects and initiating associated urban renewals. Besides, affordability facilitated by accessible financing supports was the key to this success. The Singaporean government raised the percentage of public homeownership through fostering purchase rather than rental. Strikingly high rates of public homeownership attest to the availability of financial assistance. For example, the HDB public finance sector was set up to enable potential homebuyers to utilize subsidized mortgage rates; homebuyers are also allowed to use the Central Provident Fund [CPF]<sup>2</sup> to buy a unit. In sum, the Singapore case indicates three factors for such great achievement. First, these kinds of spectacular housing projects must break ground at an initial phase of development. Substantive success for public housing developments depends in part upon early implementation before cities begin sprawling in a rampant, disordered manner. Second, the systematic arrangement of institutional and administrative settings must be established with strong political resolve and stringent regulations. Third, the availability of financing services to render the poor eligible to apply for must be ensured.

In most of the other developing countries, however, government-led housing at-

tempts revealed many shortcomings in attaining both qualitative and quantitative targets. Massive public housing schemes in these countries have been subjected to two main criticisms. The first criticism points to failure to accommodate people in need because neither purchase nor rental of public housing units was within the budgetary range of low-income households. As a result, “the intended beneficiaries, the urban slum dwellers, were not benefiting” (Mukhija, 2001, p. 214). The second criticism relates to the issue of need gaps between providers and receivers, deriving primarily from the importing of inadequate housing development models from the West. Because many professionals and experts of housing planning were educated in Europe and the U.S., their values are based not on indigenous values but on predominant wisdoms formed by social trends in the West (Payne, 1977; Hardoy and Satterthwaite, 1989; Gilbert and Gugler, 1992; Okpala, 1999). “The hold of modernity as an image for the elites and developers of postwar cities was such that considerations of local identity or regionalism were swept aside” (Askew and Logan, 1994, p. 7). Additionally, the adoption of high architectural standards and materials imported from the West raises questions of management and maintenance abilities. In many instances, architectural design and technology as well as size and location of units were unsuitable from the poor’s perspective (Keivani and Werna, 2001a). On top of this, the limited financial and administrative capacities of governments constitute a major negative factor. Considering the fact that the proportion of housing built by the public sector remains negligible,<sup>3</sup> demolition of informal settlements exacerbates the urban housing crisis and brings about a sharp decline in the housing stock for low-income households, causing overcrowding in other substandard settlements (Rondinelli, 1990). Given the array of constraints like finance, land availability, and institutional and administrative settings, capital-intensive public housing planning may not be a workable solution in most developing countries. In effect, inadequate and insufficient housing provision by governments leads to public neglect of the centrally controlled projects.

In many Southeast Asian countries, public housing projects have ended in collapse on one level or another. To cite a case, the Malaysian government launched low-cost housing programs under the new economic plans from the early 1970s with the aim of meeting the housing needs of families whose monthly income was less than 750 ringgit. Granted that the slogans were upheld, the number of units completed was far below the number originally planned, while special low-cost projects were given a lower priority compared to other development activities.<sup>4</sup> Thailand’s path also followed the same trajectory as Malaysia. Along with slum clearances and urban renewals, pushing ahead with public housing became a principal instruction. In 1972, the National Housing Authority [NHA] of Thailand was founded under the World Bank’s guidance, embarking on low-cost housing projects largely on the urban fringe of Bangkok. Nevertheless, the NHA’s supply similarly did not satisfy actual demand.<sup>5</sup> As with other countries, problems with quantity, location, and affordability were three major drawbacks. In 1989, only 2.7% of the units for sale in Bangkok were less than the price level of “low-cost units” under 200,000 baht (Crane, Daniere and Harwood, 1997); units for low-income households built between 1974 and 1984 were located on the urban fringe, more than 20 kilometers from the center (Dowall, 1992); households had to earn 6,500 baht monthly to purchase these low-cost units (Foo, 1992), yet the average income of

slum dwellers was 3,700 baht and that of informal settlers was 2,000 baht or less (Bhakdi, 1987). In the end, the occupancy rate of the units on the outskirts was just 43% (Dowall, 1992). These figures prove that the main obstacles in prompting low-cost housing development are difficulties in ensuring the smooth flow of budgets for the development, acquiring land in the city center, and preparing loan credit supports.

The Philippines is no exception. Together with other resettlement measures, Bagong Lipunan (New Society) Integrated Sites and Services [BLISS] projects—the construction of multi-storey, medium-density residential complexes—were executed under the Ministry of Human Settlements founded in 1978. These were originally intended to contain urban poor households; but they did not generate any substantial impact in mitigating the housing crisis in Metro Manila, by reason of deficient affordability and quantity. Only the privileged, the upper 10% of Metro Manila’s population, could afford to enjoy the benefit of BLISS. In addition, the number of the households displaced for BLISS projects were much larger than the total output of the projects, which was less than 2,500 units (Berner, 1997).

In the search for an alternative approach, housing policies from the 1970s started to involve non-conventional “bottom-up” modes requiring less government interventions and promoting residents’ actions. A series of liberal movements in the 1960s and 1970s gave rise to greater demand for personal and popular control over key political and social dimensions. These movements saw a change of perceptions towards the poor’s capacity in housing development and cultivated the concept of self-help. The self-help housing approach, which originated with scholars like Charles Abrams, William Mangin, and John F. C. Turner, is predicated upon the leverage of residents’ labor to ameliorate their own living environments. One of the biggest myths challenged is Oscar Lewis’s idea of a “culture of poverty”: that the poor are poor by nature and poverty is their own fault (Gilbert and Gugler, 1992). Advocates of self-help claim that informal settlements should be perceived not as eyesores but as panaceas to the urban housing crisis: “such settlements were not only well adapted to the needs and circumstances of their residents, but were also typically improved over time” (Harris, 2003, p.257). Incremental improvement procedures, which Turner (1976) terms progressive development, would naturally occur through residents’ voluntary endeavors. Hence, the self-help approach views people as having the potential to fix up housing for themselves.

Four observations can be made in the context of the increasing importance of the self-help housing approach in planning debates. First, the approach is more suitable for housing conditions in developing countries where units established through individual efforts account for more than half of the total housing stocks. Second, providing land and basic infrastructure and letting residents build is less costly than providing finished products of public housing. Third, the approach holds the promise of enhancing community development. Fourth, it can contribute to the creation of property rights and assets (Pugh, 1997). Because of these observations, the ideas of self-help was embraced with enthusiasm by international agencies and governments, and soon gained currency within contemporary policy agendas in the third world. Accordingly, bottom-up self-help practices have thrived since the 1970s.

### 3. Limits of Bottom-up Development Approach

It has become more controversial to unreservedly welcome the advent of the self-help housing approach. There are certain limits to what such bottom-up development devices can handle. Of all these complications, land issues must be prioritized first. Simply put, housing development for the underprivileged comes down to political struggles over land, and the self-help approach is not a solution to adjust for land markets that largely cater to better-off people (Hall, 1987; Hardoy and Satterthwaite, 1989). Housing development must include the following four physical components to be finalized: acquiring land, securing tenure, facilitating infrastructure and public services, and constructing dwelling units. Among these, the main difficulty lies in not the building of dwelling units, but rather the provision of access to land (McAuslan, 1985; Hall, 1987). Bearing in mind that informal settlers possess the capacity to undertake incremental development for upgrading their livelihood spaces, top priority should be placed on the establishment of land delivery and management mechanisms to provide access to land.

Past experiences in Southeast Asian countries also demonstrate the dilemma of retaining land for the living sphere of the needy. In reality, the success of Singapore derives from its strong governmental ability to acquire land for public purposes; yet in many Southeast Asian countries, governments are hindered by numerous stumbling blocks in land acquisition.<sup>6</sup> Since the process of land acquisition is an extravagant one and governments tend to opt for low-value sites on the periphery which are easier to obtain (Main and Williams, 1994), the locational preference of the urban poor to stay in the center close to worksites is unlikely to be respected. This is partly because major Southeast Asian cities have been suffering from soaring urban land prices for the last couple of decades. Under a market economy, land becomes a commodity for investment: investment activities leave large tracts of land in the center unoccupied or undeveloped, comparable with landowners intentionally doing so for speculative reasons (Dwyer, 1974; Hardoy and Satterthwaite, 1989). An example of such major speculation can be observed in Bangkok. During the scant five years from 1985, urban land prices went up 1,500% (Douglass and Zoghlin, 1994). Despite smaller appreciation rates compared to Bangkok, Jakarta also has faced the same predicament.<sup>7</sup> Consequences brought about by distortion of land delivery and management are as follows: (1) a series of forcible evictions, threatening the existence of informal settlements; and (2) low-income households having no choice but to take the worst-quality, worst-serviced, and often worst-located pieces of leftover land in order to minimize the risk of eviction (Main and Williams, 1994; Hall and Pfeiffer, 2000). Unlike other urban areas in Latin America and Africa where land invasion and illegal occupation might be more tolerated, informal settlers in Southeast Asian cities are subject to a greater probability of eviction because of the upsurge in land prices provoked by fast-paced economic growth and associated urbanization. Under the circumstances, the importance of securing land with tenure is further reinforced. As Choguill (1999, p. 299) articulates, “a prerequisite for any progressive improvement to take place, in either housing or infra, is security of land tenure.”

It is crucial to mention that security of tenure must coincide with provision of access to land. Legalizing tenure through titling methods alone does not untangle any urban land complexity. Proponents of legalization argue for the multiplier economic

effects to housing improvement:<sup>8</sup> “where people consider that governments are willing to take measures to increase security rather than impose formal or legalistic approaches, they are invariably willing to invest in improving their homes and local neighborhoods” (Payne, 2004, p.174). On the contrary, opponents are skeptical about the effectiveness of legalization by itself, based on the understanding that governments prefer it because it is an inexpensive method (Gilbert, 2002). Furthermore, in contradiction to de Soto’s (1989) assertion, legal tenure itself is not a catalyst for augmenting investments to eventually increase the value of the poor’s assets unless accessible loan credit supports are available (Mukhija, 2001). If land delivery and management mechanisms are not reformed to correct haphazard land-use/development patterns, it will end up as a zero-sum game. Poor households from the rural hinterland will continue to rely on informal settlements that often lack security, safety, and comfort.

In addition to the land issues, the self-help housing approach encounters the problem of exclusivity. Slum upgrading gives as an illustrative example: it aims at *in situ* betterment to legalize tenure and expedite construction of basic infrastructure. In general, informal settlers favor on-site programs, because these preserve not only existing economic and social systems but also make housing stocks available to low-income households (Choguill, 1995). In spite of such advantages, real world applications did not sustain the goals envisaged. Benefits brought by the on-site programs slipped through the hands of the poor, falling instead into the hands of landowners who were able to profit owing to the rapid hike in house and land value after neighborhood were refurbished with infrastructure (Keivani and Werna, 2001a). Consequently, the financially disadvantaged poor were doomed to be squeezed out from upgraded sites. Moreover, the problem also involves cost issues. Actualizing a self-help housing program inevitably entails the commitment that participants devote plenty of their own time and labor. The increasing costs for engaging in a program often result in low cost recovery and the elimination of the poorest households from the program (Rondinelli, 1990). Although the self-help housing approach relies idealistically on a bottom-up style of development in favor of participatory democracy, it is adversely founded upon a structure of elimination.

The story of the *Kampung* Improvement Program [KIP] in Indonesia discloses all these conflicts. The KIP was conceived as an enlightened program in terms of upgrading both the physical built-environment and social services with relatively inexpensive costs. In fact, 3.3 million residents enjoyed the benefits brought by the KIP (Werlin, 1999). The government provided roads, lanes, drainage, solid waste management, communal water and toilet facilities, and health and education centers while leaving the practical business of building to individual households (UNESCAP, 1993). Nonetheless, complications did arise from the weak ability and low commitment of residents to fix and maintain the services and facilities furnished (Hardoy and Satterthwaite, 1989). As a result, the quality of settlements continued to deteriorate. Furthermore, the KIP also had the adverse effect of expelling the poor from improved sites on account of higher land prices and rents (Karamoy and Dias, 1986). Therefore, regardless of its considerable achievements, the KIP could be labeled just as another form of gentrification, and it gradually came to receive more negative evaluation.

As the several cases described above portlay, experiences in the field substantiate



that the self-help housing approach cannot stand alone. Governments must recognize the necessity of creating adequate institutional and regulatory arrangements to assist resident-based activities. This is because effective self-help housing policies should be accompanied by sufficient political wherewithal to persuade governments, experts, landowners, construction and building materials firms, politicians, and administrators (van der Linden, 1986). Although the marginalized have the potential and willingness, the economic and political structures of society often prevent them from moving into action. As Hall (1987) states, putting the philosophy of self-help housing into practice necessitates considerable effects at administrative levels. Whether or not self-help housing attempts become fruitful depends on the capacity of the public sector to remove obstacles to people-driven development. In this sense, the self-help housing approach is not merely bottom-up, supposedly counting on residents' spontaneous efforts; rather, it can be realized within concrete top-down frameworks by inserting voluntary endeavors into existing formal planning agendas.

#### **4. Emergence of Intersectoral Collaboration amid Prevailing Neo-liberalism**

The 1980s can be marked as a momentous turning point in the history of development planning. Especially the advancement of neo-liberalism should be identified in this context. Development policies affected by the perspective of neo-liberalism have served to justify the withdrawal of central government interventions and support the augmentation of dependency on the private sector. Apart from the utilization of markets, such neo-liberal thoughts started to resonate with the democratization movement in the third world, contributing to the legitimization of civil society, notably NGOs, as an official development partner. Given the pervasive extent of neo-liberalism, the integration of top-down and bottom-up approaches commenced in earnest from the 1980s onwards.

This policy trend was soon reflected in the formation of a new housing approach named "enablement." In brief, enablement is a strategy in which the state prescribes legislative support to mobilize all relevant resources of the private sector, NGOs, community-based organizations, and households. Enablement might be translated as a change in the nature of government interventions from direct to indirect involvement, leaving actual housing provision to non-public sectors such as markets and NGOs. Responsibilities that governments would take are the formulation of policies and engagement in institutional reforms for more equitable service provision. Owing to the strong backing of influential international agencies, including the United Nations Centre of Human Settlements [UNCHS] and the World Bank, the enablement strategy has diffused throughout developing countries and has steadily gained popularity.<sup>9</sup> As the World Bank has proposed, this new strategy sets its sights on achieving institutional reform by incorporating housing policy into a wider, holistic urban economic and social development agenda (Pugh, 1997: 2000).

In real world application, this paradigm shift to embrace the private sector and civil society was exemplified in the development discourse and practices of Southeast Asian countries. Several noticeable changes in program orientations can be pointed out here. In Malaysia, during the years of the Fifth Malaysia Plan (1986–1990), the focus in housing development moved from the previous emphasis on medium- and high-cost

unit building to the advocacy of low-cost housing construction by inducing the private sector's participation under the Special Housing Program. In fact, the percentage of built units out of those scheduled reached 69% during the Plan (Yahaya, 1989). Likewise, the Thai government has imported the concept of enablement into its guiding principles of housing planning since the Sixth National Economic and Social Development Plan (1987–1991), with a particular highlight on the following two aspects: (1) encouraging the private sector's contribution to housing development for the poor;<sup>10</sup> and (2) assisting the public and private finance sector to facilitate low-interest loans for both housing buyers and developers (Kuraesin, 1998). In this enabling milieu, the Urban Community Development Office [UCDO] was created under the NHA of Thailand in 1992<sup>11</sup> to help communities forge broader collaborative networks with external entities. The UCDO presents a variety of credit services not only to ameliorate the living environment but also to boost entrepreneurship (*e.g.* activation of small-scale community-based business) to stabilize the poor's income-generation activities. According to 1996 data, 76.92 million baht in housing project loans and 27.01 million baht in non-project housing loans were approved and allocated to 17,629 households by the UCDO (Thavinpipatkul, 1997).

The Philippines also pursued enablement policies since the inauguration of the Aquino administration in 1986. A decisive progress was symbolized by the enactment of the Urban Development and Housing Act [UDHA] in 1992. The underlying objective of the UDHA is to fulfill sustainable urban development through the preparation of more rational, equitable land-use and housing planning. In conjunction with the strengthening of civil society engagement, the UDHA also tries to prompt the private sector's involvement in the construction of socialized housing for the poor. One of the UDHA crucial visions is the achievement of balanced housing: it instructs private developers to allocate at least 20% of the total project cost or area to socialized housing.<sup>12</sup> A permit for development is not given unless developers obtain proof of compliance with this requirement. Albeit a low compliance rate in 1993, this gradually improved in the following year. In 1994 alone, 55 socialized housing projects were erected, producing 10,849 units in total (Karaos, 1996). Due to the spread of enablement, employment of private sector resources to bolster housing for low-income households, which had been inactive for a long time, eventually started to materialize.

With the dissemination of enabling conceptions, a renewed prominence has been given to the role of third parties. A significant change brought by the inception of enablement is the institutionalization of non-governmental development partners as typified by NGOs. Even though the advent of the self-help housing approach in the 1970s was conceivably regarded as the ascendancy of bottom-up participatory development models, the approach was not intended to enhance the spirit of citizen empowerment. A critical shift during the following ten to twenty years was the legitimization of NGO activities as an effective stimulus to accelerate empowerment. In many Southeast Asian countries, a chain of decentralized legislation has come into force to dismantle authoritarian, centralized governing structures, bringing grass-roots organizations into the mainstream of decision-making systems, thereby creating democratic planning processes. In the Philippines, for example, an innovative decentralization act, which is the Local Government Code of 1991, has stipulated that at least 40% of members

constituting local development councils shall be representatives of NGOs advocating on behalf of the underprivileged. This is to bridge the gaps between idea and practice in development activities by absorbing citizen voices.

Nevertheless, a backlash against enablement has been triggered by some scholars who have condemned the market enabling strategy as irrelevant to the context of most developing countries, in that it underestimates the scale of informal private markets. In particular, Ward and Jones (1997, p. 172) have taken the stance of criticizing the World Bank's new policy of enablement as "becoming increasingly dominated by a monetarist liberal philosophy, which aimed to reduce subsidies and the direct production of housing to a minimum." An important point highlighted here is whether the term "markets" encompasses informal mechanisms. It should be noted that "the urbanization pattern in Asia is marked by a paradoxical trend: growth of mega-size cities with a simultaneous presence of the huge informal sector" (Amin, 2000, p. 49). To be more precise, informal sector jobs account for 37% of the total employment in developing countries (UNCHS, 2001). It is quite essential to acknowledge that cities in developing countries are growing due to the mounting functions of informal mechanisms while formal mechanisms have limited penetration.

There are also other interpretations of enablement. Some have argued that, while the World Bank's housing policies by the early 1980s did intrinsically demonstrate some characteristics of market-oriented neo-liberalism, the new strategy arising after 1986 contain a far-reaching, comprehensive notion of enablement accompanied by the intent to reconfigure public-private roles in the most efficient way (Keivani and Werna, 2001b). Pugh (1997, p. 157) claims that, "the concept of an 'enablement' shelter strategy does not mean any diminution of government responsibility for the housing production and distribution process," and instead "enablement was being regarded as facilitative, with connection to the generalities of state-market-nongovernmental organization-household relationship" (p. 97). The emphasis is on the potential of the enablement strategy to organize a new collaborative interrelation transcending traditional categories such as formal/informal or conventional/unconventional. In this light, Keivani and Werna (2001a) stress the capability of non-market sectors and pay great attention to the significance of effective government interventions to correct market failures. The word "pluralism" in their view implies no conflict between formal and informal, but rather a coexistence of private markets and non-market sectors including the public sector and civil society.

The history of housing development in the third world demonstrates that market solutions have not worked well to alleviate the urban housing crisis. Despite the potential contribution to widening the range of housing options, provisions for the underprivileged through formal market mechanisms could represent the least effective way, considering that the major concern of the market economy is profitability. Profits from housing development for low-income households are usually not attractive enough for the private sector (Yeh and Laquian, 1979; Okpala, 1999). Some optimists might expect trickle-down effects of housing from high or middle-income people to low-income people, but there is no evidence that the effects have taken place (Hamdi, 1990). Under the market economy principle, income disparities affect housing inequalities and consequently the poor are systematically excluded from formal housing mar-

kets. In order to lessen such unequal distribution through formal markets and reduce redundancy and fragmentation in development practices, the need for cultivating partnerships among concerned actors and consolidating various provision modes has been increasingly emphasized.

As explicitly expressed in the UNCHS Habitat discourse, the planning paradigms of housing development have undergone a major shift in tandem with current trends. While the principal concerns at the Vancouver declaration in 1976 converged on physical planning solutions initiated by government agencies, the main thrust at Habitat II in 1996 focused on the democratization of the planning process by stressing (1) public-private partnerships and (2) local governments' and NGOs' roles in carrying out pragmatic steps (Leaf and Pamuk, 1997, p. 74). This paradigm shift certainly mirrors the diffusion of neo-liberal imperatives postulating the superiority of a less-interventionist approach based on enablement. Notwithstanding widespread acceptance, Pugh (1994, p. 363, quoting Dunn) cautions against romanticizing the enablement strategy: "it is overoptimistic in its ideal that democratization has the power to solve all significant social problems and that mutual benefits flow universally from market-led development." Most important to address, a critical component in the shift is the reconfiguration of the public sector's roles within the overarching structure. Creating synergies with the state remain essential in improving a favorable enabling environment: "like it or not, the state continues to be a major player. It may need to be made more accountable to poor people and more responsive to their claims. But without the state's cooperation, the lot of the poor cannot be significantly improved. Local empowering action requires a strong state" (Friedmann, 1992, p. 7).

To sum up, governments still persist as the major player even given the current popularity of the enablement strategy. The purpose of government interventions is not merely to distribute resources and assets, but to accomplish more equitable distribution or redistribution in order to correct market failures as well as ensure social equity. Such a governmental stance does not resemble the conventional top-down approach forcing people to accept intervention without choices. Rather, as Douglass, Ard-Am and Kim (1999) state, it is a supportive attitude to reconstruct renewed interdependent relationships between the state and citizen.

## 5. Conclusion

In order to ease the magnitude of the urban housing crisis, a variety of compassionate approaches through different channels have been proposed. Based on the failure of government-driven housing projects, an alternative self-help housing approach was subsequently devised. Nonetheless, it soon became clear that a number of projects carried out under the self-help philosophy were not functional enough to cope with the housing crisis in Southeast Asian metropolises. In the aftermath, neo-liberal thought appearing from the 1980s has shaped a successor strategy of enablement, which was promoted by the World Bank and the UNCHS. Pugh (1997, p. 164) analyzes this turnaround with reference to the rise of the renewed political economy: "by the late 1980s the new political economy was evolving towards a new position: this argued for blended state-market roles, rather than them being viewed as polarized opposites, and for a deeper understanding of relationships between economics and politics." One

**Table 2 Urban Agglomeration in Major Southeast Asian Metropolitan Regions, 2003**

Agglomeration	Population (in thousands)	As % of urban population
Jakarta	12,296	12.3
Kuala Lumpur	1,352	8.7
Metro Manila	10,352	21.2
Singapore	4,253	100.0
Bangkok	6,486	32.4

Source: World Urbanization Prospect, 2003 Revision (United Nation, 2004)

phenomenon increasingly apparent from the 1990s is that under the enablement strategy within the new political economy, the modes and actors of housing provision have diversified and transcended traditional classifications dividing them into conventional/formal and unconventional/informal. Dynamic interactions between these dichotomous categories have been politically pushed forward, and this is expected to lead to the actualization of more democratic planning styles.

The defense of a living sphere for the urban poor will continue to occupy a key position within contemporary development planning. Given the intensification of urbanization rates in the less developed world, the urban housing crisis is not a temporary but an ongoing problem. In the context of Southeast Asia, one particular characteristic of urbanization is the unparalleled growth of capital metropolises. As Table 2 shows, the present level of human agglomeration in Southeast Asian metropolises is becoming extremely high and this is not likely to be reversed. The United Nations (2004) estimate projects that over 60% of the total Southeast Asian population will live in urban areas by 2030. An important remark in this regard is that the noun attached to primate is no longer “cities”; “regions” have emerged as the unit of these nodes, due to the rapid geographical expansion of megacities. This suggests that there is an urgent call for reconsidering the significance of housing planning on a regional scale in this continued urbanizing and globalizing era.

Such a proposition inevitably guides us to revisit the mechanism of urban governance, posing a question on how expanding metropolitan regions can be managed to oversee cross-boundary housing issues and what kind of institutional structures are needed for this management. In this context, while the enabling perception serves to endorse the rationales of decentralized governance for democratization, the possibility of centralized governance would be once again discussed in planning debates to deal with “regional” problems involving different autonomous actors.

### Footnotes:

1. The diagram is originally from Drakakis-Smith, *Housing and the Urban Development Process*, published in 1981.
2. “The CPF is the Singaporean’s social security system, providing pension and medical care as well as other schemes. It is mandatory for the employee and his employer to contribute monthly a certain fraction of the employee’s monthly salary to the fund” (Neo, Lee and Ong, 2003, pp. 2646–7).
3. Statistics shows that public sector involvement in housing production in Singapore was 79% compared to 29.5% in Manila; 10.5% in Bangkok; and 1.8% in Jakarta in the early 1990s (Angel and Mayo, 1995).
4. Percentages allocated to housing development out of the state’s total budget allocated were 2.4% in the Second Malaysia Plan (1971–1975), 6.1% in the Third Malaysia Plan (1975–1980), and 3.7% in the

- Fourth Malaysia Plan (1981–1985). The numbers of units constructed respectively were 13,244, 26,250, 71,310, representing around 40% of the numbers planned (Yahaya, 1989).
5. The number of dwelling units built by the NHA of Thailand between 1976 and 1978 was 37,031 (Bhakdi, 1987); however it gradually slowed down. One survey conducted between 1984 and 1988 shows that the number of dwelling units built by private developers on the urban fringe was 116,672; conversely, the number of public housing units served by the NHA of Thailand was estimated around 10,000 (Dowall, 1992).
  6. A number of constraints hampering the effective use of land can be identified in legislative and policy domains. For example, in Malaysia, the federal law stipulates that the subjects of land and housing are in complete control of the state governments and local councils, so that the federal government has no authority to interfere with the subjects (Casanova *et al.*, 1979; Yahaya, 1989). Thus, absolute fragmentation by law makes it impossible to picture the holistic goals of housing development at the national level.
  7. “The estimated land values for a parcel of land increased approximately 11% per year between 1987 and 1989 for parcels located about 10 km away from the Central Business District [CBD]. Land prices for land in the center of the city increased less than 5% a year (in real terms) while land approximately 20 km away from the CBD increased by 18.3% a year on average during the same period” (Crane, Daniere and Harwood, 1997, p. 1498).
  8. According to de Soto (1989), legal titles would enable the poor to access formal credit services and accumulate capital, which could lead to the activation of land and property markets.
  9. Based on these enablement principles, the UNCHS later developed the Global Strategy for Shelter to the Year 2000, which was accepted by the United Nations General Assembly in 1988. The World Bank also introduced a seven-point program in 1993, which advocates the idea of whole housing sector development. The program includes several points to be conceptualized: the development of housing finance systems, property rights, and infrastructure; the targeting of subsidies; the introduction of regulatory audits; improved organization and competition in the building industry; and appropriate institutionalized reform (Pugh, 2001).
  10. In effect, the housing stock contributed by developers accounted for 36% in 1988; in 1993, the percentage rose to 50% (Yap, 1996).
  11. The UCDO defines itself as a banker and facilitator, as well as coordinator to advance vocational skills, raise income, and secure housing for the urban poor (UCDO, n.a.). Thus, the UCDO’s focus is not on constructing dwelling units; rather, it aims at socio-economic development through improving living spheres. The UCDO was renamed the Community Organization Development Institute, known as CODI, in 2000 as part of reorganization with the Rural Development Fund.
  12. In compliance with the law, private developers’ contributions may be made under any of the schemes below: development of a new settlement, slum upgrading or renewal, joint venture projects with local government units [LGU] or any government institution, and participation in community mortgage programs as financier or developer, or purchase of LGU housing bonds (ADB, 2001).

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