

The Hyderabad Development Authority told the new allottees that construction should start immediately and that a steady pace should be maintained: the allottees were given one month to shift to the new site. Officials visited the site daily, and, if no construction took place on three consecutive days, the allocation was withdrawn: several allocations were actually cancelled, and the plots were reallocated. As a result, all those who had been allocated a plot started construction: within one and a half months, 212 families had laid the plinths for their houses, 110 families had put up shacks where they resided during the day, 89 families had constructed one-room or two-room houses up to roof level, and 13 families had started living on their plots. However, after awhile, construction slowed down again, and no new families moved in.

Eventually, the Hyderabad Development Authority came to the conclusion that the households recommended by the councillors did not belong to the lowest-income group in urgent need of a house. They already had a house and access to electricity and water supply, and they were, therefore, unwilling to move to the new site, until development had taken place, and these facilities were available. So, the Authority decided to try a new approach.

Working through the dallals

After the disappointing experience with the issue of allotment orders, the Hyderabad Development Authority decided to stop issuing allotment orders but to issue cards on which a schedule of payments was printed: title deeds would only be issued after an allottee had paid the full amount of Rs. 9,600 for the plot. Without allotment orders, it is easy for the HDA to cancel plot allocations, if allottees do not reside permanently on their plots: to make sure that applicants are really in need of a place to live, they have to occupy their plot immediately after allocation and live there permanently with their household members and their belongings.

In order to reach the target group, the Hyderabad Development Authority solicited the help of three illegal sub-dividers, to identify families from the inner-city slums and *katchi abadis* in Hyderabad for settlement at the new site. The *dallals* have experience with the recruitment of low-income families for their illegal sub-divisions; and the HDA gave them a free hand to bring families in need of shelter from any place to the new settlement. The *dallals* set about their task diligently: they demarcated plots themselves, brought people from *katchi abadis* in Latifabad at the other side of the river and settled them in the scheme.

The motives of the *dallals* in settling households in the scheme were the same as for their previous ventures with illegal subdivisions - to make money and to acquire power. They withheld choice plots and they tried to populate the scheme as quickly as possible, to increase the value of the plots. A settlement which consists of only a few reed huts and mud houses in the middle of nowhere does not inspire confidence; even the very poor prefer to live in overcrowded inner-city slums. The *dallals* decided that a few semi-permanent houses were needed, to show prospective settlers that the settlement existed and had sufficient security of tenure.

However, only economically well-off households can build semi-permanent houses instantly. So, the *dallals* approached such households and told them that they could buy plots by making a down payment of as little as Rs. 450, if they started to build immediately. They conveniently forgot to mention that the plot allocation would be cancelled if the Hyderabad Development Authority discovered that nobody was living in the house.

As has been noticed in many sites-and-services schemes, a plot of land with infrastructure but without a shelter makes it very difficult for some families to settle. They do not want to live in a shack, but to maintain their previous house and commute to the site to construct their new house are too costly and time consuming. Copying sites-and-services schemes with a core house, one *dallal* built 200 mud-brick single roomed houses on plots in Khuda-ki-basti, without permission of the Hyderabad Development Authority, and sold these to families preferring such a house over an empty plot (Van der Linden, 1989: 17).

The reception area

While people were being settled, a family on the waiting list and in dire need of shelter turned up at the site with all its possessions and simply occupied a vacant plot. This unauthorized occupation demonstrated a simple fact: a really needy household wants to occupy its plot immediately as it does not have need anywhere else to go. This event led to a radically new approach for the selection of allottees - the reception area. An open plot of land was set aside in Sector E-4 for those families in immediate need of shelter - the target group of the scheme.

A family in immediate need of shelter can bring its possessions and settle in the reception area, waiting to be allocated a plot. The officials of the Hyderabad Development Authority watch the family for about two weeks, to see if its needs are genuine, i.e., if it lives permanently in the reception area: If the officials are satisfied, they allocate a plot to the family, and the allottee has to erect some sort of structure and start living on his plot immediately.

This procedure proved successful. Within 16 days of its initiation on 2 November 1986, 350 families had moved to their plots, after clearing the reception area. Thus, the Hyderabad Development Authority made the screening process

at the reception area a permanent feature of its selection process. Initially, the reception area was no more than an open space; afterwards, families built some reed huts to shelter themselves. However, some categories of the target population, such as retired governmental employees with low incomes, were unwilling to set up a hut in the reception area. They bypassed the reception area, with the help of the *dallals* who, for a little extra money, settled them directly on plots. Some potential allottees cited lack of privacy for their womenfolk in the reception area as the reason for their dislike of the procedure. For them, the Authority had five one-room semi-permanent houses built in the reception area and it rents them out for Rs. 50 per week to those who can afford them. So, people who do not want to build a hut in the reception area no longer need to acquire a plot illegally.

The current procedure

According to the current procedure (see figure 8), an applicant has to submit a photocopy of his identity card to the Hyderabad Development Authority as an application. The card is numbered, and the date of submission is stamped on it. Every Friday, the staff of the Hyderabad Development Authority selects 20 families according to the serial numbers on their cards. Through a notice onsite, the applicant is instructed to bring his household and belongings within one week of the notification, to the reception area. There, he can either build a hut or rent one of the houses and he is closely monitored by the HDA staff.

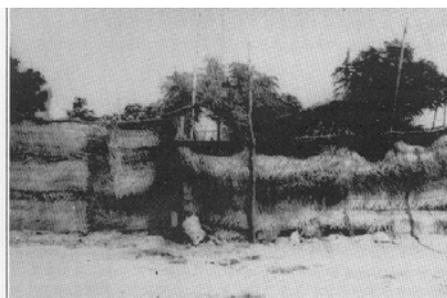
Once settled in the reception area, the applicant is asked to make a (non-refundable) deposit of Rs. 1,000 in a local bank, as full payment for an unserviced plot. Having ascertained that the family is in genuine of shelter, the HDA staff allocates a plot to the family which it has to occupy immediately. The family is required to build a pit on the plot to guarantee minimal sanitary conditions in the scheme. Officials check from time to time to make sure that the family actually lives on the plot: if it does not and if the neighbours cannot, give an explanation for its absence, the plot allocation is canceled, and the plot is reallocated. The HDA, therefore, uses the word "applicant" rather than "allottee" until the person has completed paying for the plot.

Applicants to Khuda-ki-basti have to make a down payment of Rs 1,000 which covers the full cost of the unserviced land. The development charges were initially set at Rs. 60 per month; they were, subsequently, lowered to Rs. 50 per month and were supposed to increase annually by Rs. 20 up to 1989, when they would remain at the maximum level of Rs. 110 per month. Up to now, the Hyderabad Development Authority has, however, not increased the development charges, because a majority of residents complained that they could not pay the high rates.

Installments are deposited in a separate bank account for each block (or sub-sector) of the scheme: block leaders are responsible for each block account. Once sufficient money has been collected in a block account, the Hyderabad Development Authority calls a meeting of all residents of the block: they decide, by popular vote, which type of infrastructure is to be provided, using the money in the account, and how the infrastructure will be constructed. After the decisions have been taken, the Hyderabad Development Authority hands the supervision of the construction work over to the block leaders.



3. Bus stop and entrance to Khuda-ki-basti



4. Reed huts in the reception area

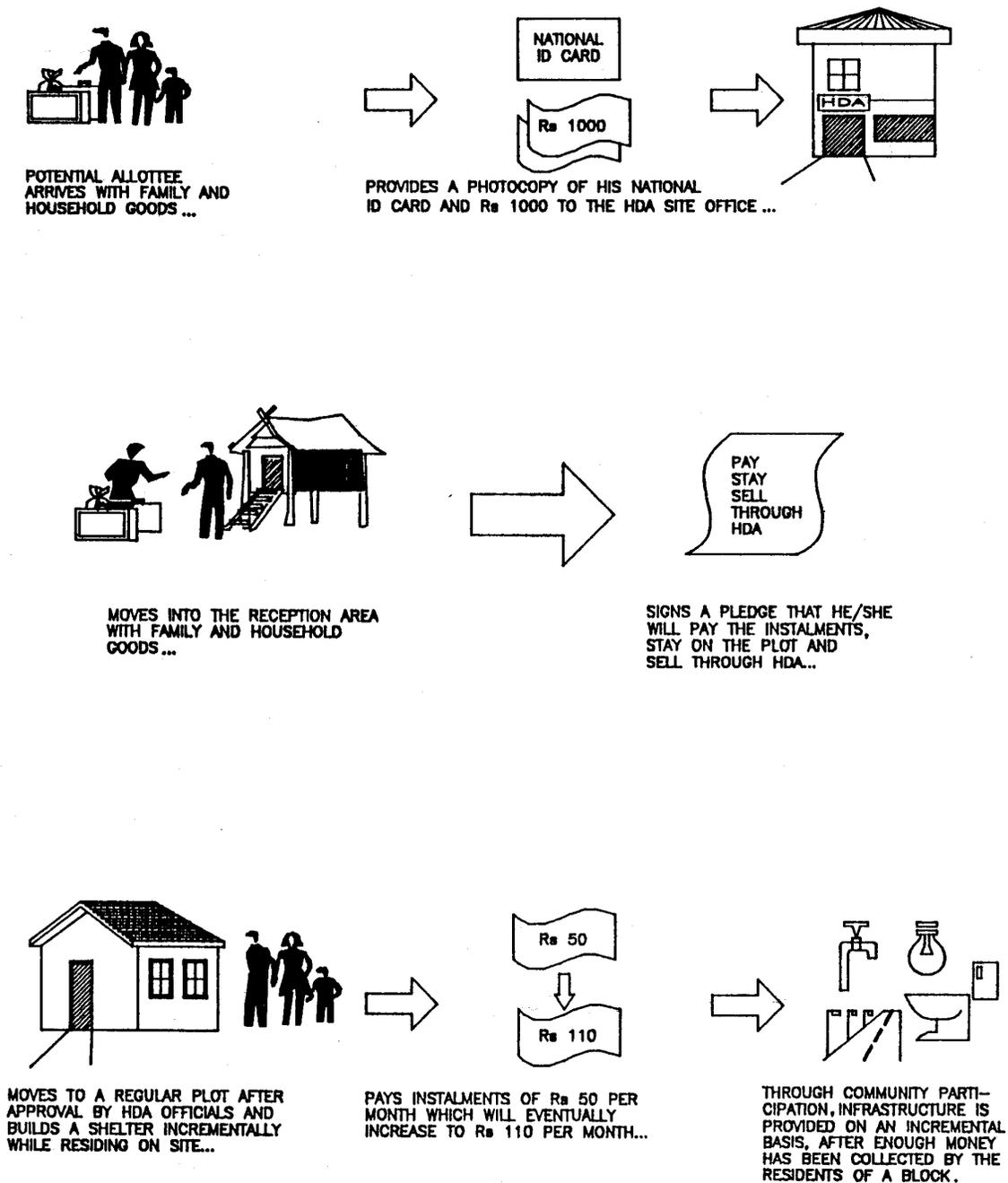


Figure 8. Procedure for securing a plot

Cost recovery

The initial implementation costs for the incremental-development scheme, as a separate project, were minimal. As the scheme is being implemented in four sectors of the Gulshan-e-Shahbaz sites-and-services scheme, planning and design for the scheme have already been completed. Furthermore, the land on which the settlement is situated has always been governmental property; it is non-arable, rocky desert land with no greater opportunity-cost than its current usage.

The Hyderabad Development Authority recovers the cost of the raw, undeveloped land through the initial down payment of Rs. 1,000 which the allottee has to pay when entering the reception area. As the scheme is based on the concept of incremental development of infrastructure, and infrastructure is only constructed once the residents have paid for it, the issue of cost recovery for the construction of infrastructure does not arise, The Hyderabad Development Authority does not lend any money for the provision of infrastructure to the project.

The Hyderabad Development Authority has kept the direct costs of the administration of the project to a minimum, and they are the only subsidy to the project. Administrative costs include the salaries of one officer, two clerks and one driver; petrol for the van which provides transport for these officials; and the costs of running the site office. The costs are estimated at Rs. 10,000 per month.



5. Supplier of building materials



6. One of the main streets in Khuda-ki-basti

Box 2

ISMAIL: MAKINGS OF A DALLAL

Ismail was one of the first *dallals* the Hyderabad Development Authority recruited to attract low-income households from the inner-city slums and squatter settlements of Hyderabad for settlement in Khuda-ki-basti. Before working for the Hyderabad Development Authority, Ismail had successfully organized a small illegal subdivision adjacent to the squatter settlement of Sikanderabad. This illegal subdivision has no name, but it is here named Ismailabad in recognition of Ismail's "services to housing the urban poor". What follows is a description of his career as a *dallal* and his role in establishing Ismailabad.

In 1978, when Ismail illegally occupied land for the first time, he was a clerk in the Pakistan Army. A year earlier, the Army had established itself as the ruler of Pakistan and had imposed martial law. Ismail, nearing retirement, realized that he would not have a shelter for his family after retirement. However, his in-laws told him that there was some vacant land near the Hyderabad railway station where an old settlement of washer men already existed. As the land was near a cleaning shed for railway cars, there was ample water supply. Ismail took his family there and constructed a crude reed-mat shack. Believing in "security in numbers", he invited other families to join him.

The railway officials, who had barely tolerated the existing settlement on the land, were enraged at this new encroachment. They asked the new settlers to clear the site, but Ismail went immediately to his commanding officer and secured a letter "requesting" the railway officials to allow him to stay as long as the old settlement was allowed to remain on site. The railway officials relented and let him and his party stay, but also started proceedings to evict the old settlement. The washer men were not pleased with this new development and began to harass Ismail: at one time, they even threw his possessions out of his house and threatened to kill him. Ismail eventually managed to establish some sort of *détente* with the washer men after approaching their *vedera* or village headman, but the situation remained tense.

By this time, Ismail had retired from the Army and had lost his powerful connections. He realized that he did not have much security of tenure and that the railway officials would eventually succeed in evicting all squatters. He, therefore,

started to look for a new place to settle. From a friend, he heard about the *katchi abadi* of Sikanderabad at the outskirts of Kotri and he decided to move his residence there.

Sikanderabad is located near the Indus Highway five kilometres from Kotri. A group of low-level governmental employees first squatted on the land in the early 1970s: the population grew with the arrival of 83 Christian sweepers who worked in the city, of Pathan workers from the Kotri industrial zone and of Bihari refugees from the former East Pakistan. The late Malik Sikander Khan, a powerful landlord, based in Kotri and a Member of the National Assembly at the time, was the eminent power-broker of the district. The residents sought his patronage and named the settlement after him - Sikanderabad.

When Ismail arrived in Sikanderabad in 1980, the population numbered around 500 families. He demarcated a 1,000 square-yard plot for himself and, with his Army retirement fund, built a semi-permanent house. Soon afterwards, he heard, from one of the Christian families in the neighbourhood, that Sind University had evicted some 150 Christian sweeper families from its land. Ismail decided to resettle them near his plot: he contacted the families and persuaded them to move to a vacant piece of land adjacent to his house, on the outskirts of Sikanderabad. He asked them to select one person whom they could trust, so that he could serve as an intermediary.

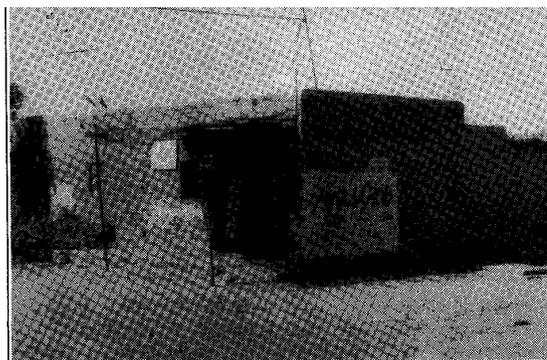
Having secured the people, he set about securing the land. He contacted the local police and district officials, and reached an agreement that they would not molest the new settlers: this agreement, obviously, included some financial compensation for the officials. Ismail also realized that it would be easy for the government to legalize and upgrade the settlement if it were laid out in accordance with governmental specifications: so, he laid out three 25-foot-wide unpaved roads and demarcated plots.

The families moved in, after paying Ismail Rs. 200 for each of the plots. Ismail extracted an agreement from the families that they would grant all their construction contracts to him and he also collected "tea money" from the new settlers, taking a share of it himself. In this way, he made a sizable profit on this deal.

In 1982, the Governor of Sind declared that all *katchi abadis* established before 1978 would be regularized and upgraded, and the authorities in Kotri held an open forum, to discuss the policy. Ismail, realizing this was the opportunity he needed, attended the meeting. When the regularization of Sikanderabad was discussed, Ismail convinced the authorities that his settlement had been established before 1978 as well, backing his claim with false documents and records. He managed to obtain permission for the construction of a water standpipe at the edge of Sikanderabad, so that residents would stop breaking the line passing nearby: he, thereby, gained prestige and power not only in Ismailabad but in the whole of Sikanderabad.

A few months later, Ismail led a delegation of about 100 residents from Ismailabad and Sikanderabad to the office of the Water and Power Development Authority (WAPDA) and staged a demonstration, to claim the supply of electricity to the settlement. After donating some money to the retirement fund of certain officials, Ismail was able to secure electricity supply. He persuaded the Christian residents of Ismailabad to lobby their church for the establishment of a school: he set aside a plot for the school and contracted his services for the construction of the building. Thus, Ismailabad now has a quasi-legal tenure status, water supply through a public stand post, door-to-door electricity connections and a primary school.

Ismail's main aims in carrying out this work were two-fold - to make money and go gain influence and power in the area. By the time the Hyderabad Development Authority approached him, he had achieved both his aims in Sikanderabad.



7. Semi-permanent house



8. Permanent double-storied house

IV. CURRENT CONDITIONS IN KHUDA-KI-BASTI

The population of Khuda-ki-basti

The population of Khuda-ki-basti is estimated at 2,500-3,000 households. In February 1988, 2813 plots had been allocated, and 2181 plots had been occupied (Siddiqui, 1988: 24). In February 1989, some 3500 plots and by November 1989 3826 plots had been allocated to households but not all the households had been able to occupy their land owing to ethnic-political disturbances in the area (Van der Linden, 1989: 31; ESCAP, 1990: 96). With an average household size of seven members the total population of Khuda-ki-basti can be estimated at 20,000 – 25,000 persons.

The settlement now sprawls over about 100 acres of the Gulshan-e-Shahbaz sites-and-services scheme and currently covers four sectors D-3, D-6, E-3 and E-4. Each sector, except D-6, is divided into four sub-sectors or blocks with 250 - 300 plots each. There are 3000 plots in the scheme, all of which have an area of 80 square yards (initially 20-36 ft, later 24-30 ft). The contrast between the populated, bustling settlement and the barren, undeveloped sites-and-services scheme surrounding it is striking and vindicates the new approach to housing delivery. That such a large population lives in such a desolate environment also underlines the desperate need of low-income families for housing.

More than half the families in Khuda-ki-basti lived in the city of Hyderabad before settling in Khuda-ki-basti, mainly in katchi abadis. However, a large number of households came from the interior of the Province of Sind directly to Khuda-ki-basti.

In their previous residence, about half the households rented accommodation (57 per cent); the others owned a house (24 per cent) or lived free of charge (19 per cent), with relatives or in accommodation provided by the landlord on whose land they worked. The average house rent was Rs. 300 per month, including water and electricity. The desire to own their house (55 per cent) and dissatisfaction with the physical or social conditions in their previous house, such as overcrowding and problems with relatives or the landlord, are the main reasons for the families to come to Khuda-ki-basti (Van der Linden, 1989. 33-34).

Hyderabad	65 %
Kotri	14 %
Rest of Sind	17 %
Outside Sind	4 %
Total	100 %

Most households in Khuda-ki-basti are nuclear families, consisting of a husband, his wife and their children: the average household size is 7.24 persons. The average age of the head of household is 43 years. The data seems to indicate that the population of Khuda-ki-basti consists of somewhat older households which had failed to find a place of their own elsewhere to live.

A 1990 survey showed that 79 per cent of the current residents had bought their plots from the Hyderabad Development Authority, 11 per cent from a dallal, and 10 per cent from an original owner. Those who had bought their plot from a *dallal* or from an original owner had paid more than the price which the Hyderabad Development Authority charges for a plot (Hasan, 1990:55). It is not clear why people were prepared to buy a plot from a *dallal* or from an original owner and pay more than the HDA charges, if there is an abundance of plots available in the scheme.

Income and employment

The occupational profile of the population in Khuda-ki-basti is not much different from that of the population of other urban low-income areas in Pakistan. More than half the heads of household work in the informal sector, while 15 per cent work in manufacturing industry at the Sind Industrial Trading Estate (SITE) in Kotri which is located about three kilometres from Khuda-ki-basti (Aliani, 1988: 46). Because they work in the informal sector, the job stability and security of the head of household is generally low. This, obviously, limits their ability to obtain a plot in a sites-and-services scheme, as families cannot afford a large down payment and a regular repayment of a housing loan.

Unskilled labourers	42 %
Hawkers and shopkeepers	20 %
Skilled labourers	18 %
Others	20 %
Total	100%

The average number of income earners per household is almost two persons: the occupational profile of the additional income-earner does not differ significantly from that of the household head. The average income of the head of household is almost Rs. 1000 per month, while the average total household income is Rs. 1567 per month: these household incomes seem to be somewhat higher than the original target group's income. Only 35 per cent of all households earn Rs. 1000 or less per month, while 56 per cent of households earn less than Rs. 1500 per month. As table 12 shows, one quarter of households have an income of more than Rs. 2000 per month.

Self-employed	32 %
Daily	17 %
Weekly	4 %
Monthly	34 %
On contract	11 %
Not applicable	2 %
Total	100 %

	Khuda-ki-basti		Hyderabad head of			
	Head of household income		Total household income		Total household income	
	%	cum. %	%	cum. %	%	cum. %
No income	2	2	2	2	-	-
<Rs. 500	16	18	4	6	3	3
Rs. 501 - 750	18	36	9	15	4	7
Rs. 751 - 1000	30	66	20	35	17	24
Rs. 1000 - 2000	9	98	21	77	18	69
Rs. 2001>	2	100	23	100	31	100
Total						

The place of work of heads of households living in Khuda-ki-basti is rather varied. Some heads of households work in Khuda-ki-basti itself (31 per cent) in the many shops and workshops where carpets, rope, paper flowers, paper bags, bangles, building materials and *bidis* (local cigarettes) are produced. Less than one sixth of heads of household work in the nearby Sind Industrial Trading Estate, while a quarter work in Hyderabad. The remainder have no work or no fixed place of work. Quite a number of persons (41 per cent) reported a drop in their income, because of their move from the city to Khuda-ki-basti (Van der Linden, 1989: 37; Aliani, 1988: 54).

In order to increase employment opportunities in Khuda-ki-basti, the Hyderabad Development Authority has launched a loan-extension programme for income-generating activities (the Family Enterprise Scheme), in co-operation with the Allied Bank; loans are provided after two HDA staff members have ascertained the needs and the repayment capacity of the applicant. The Interest rate is 15 per cent per year, and the repayment period is one to five years. As of November 1989, loans (ranging from Rs. 1200 to Rs. 20,000) to a total amount of Rs. 178,600 had been granted: these had generated employment and income for 117 persons. According to the Hyderabad Development Authority, the repayment rate was 80 - 90 per cent (Anzorena, 1990: 2; ESCAP, 1990: 96; Hasan, 1990: 28).

Housing conditions

The condition of the houses is generally good, but there is a great variation between the houses, as can be expected if no standards are imposed. A large number of households (85 per cent) have a house with walls made of plastered or unplastered bricks or cement blocks; however, 40 per cent of households still use reed mats for roofing. The permanent and semi-permanent houses are mainly found in the old sectors (E-4 and E-3). Most families, first, build a house of reed matting and, then, start to consolidate. Some households living in houses, built completely out of reed or mud, have been living in Khuda-ki-basti for at least two years: they are very poor families who probably cannot afford to upgrade their houses beyond this stage. They represent an income category which usually does not benefit from low-income housing projects (Van der Linden, 1989: 39).

As in the illegal subdivisions, most building materials are available from the neighbourhood thallawala, if necessary on credit. The thallawala provides concrete blocks, shutterings and other materials on easy credit and might also provide advice on house construction. However, the price of the materials is 10-15 per cent higher than in Kotri town (ESCAP, 1990: 97; Hasan, 1990: 19).

Most households have made significant investments in their house; the average investment per household amounts to about Rs. 20,000. Almost half the households (45 per cent) have only used their own savings to finance the construction of the house; some 40 per cent have invested their own savings as well as a loan from a formal or informal source; the remaining households relied solely on a loan from a formal source, such as the House Building Finance Corporation (HBFC) or from an informal source, such as a relative, friend or employer. (Van der Linden, 1989: 40-41).

Amount invested (Rs.)	Percentage of households
500 - 5,000	14
5,010 - 10,000	18
10,010 - 15,000	12
15,010 - 20,000	12
20,010 - 30,000	13
30,010 - 40,000	11
40,010 >	15
n.a.	5
Total	100

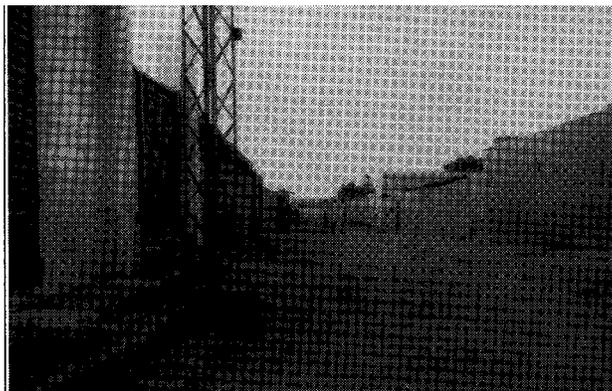
The possibility of obtaining a loan from the House Building Finance Corporation is a recent one for the allottees of Khuda-ki-basti. Initially, HBFC refused to provide loans for houses in Khuda-ki-basti, as the plots had not been officially allotted. In 1988, the Hyderabad Development Authority agreed to use its own long-term deposits as collateral for a Rs. 5 million loan from the Corporation, which the Hyderabad Development Authority extends to the allottees. The loans to the Khuda-ki-basti residents are meant to pay for the roofs of the houses, as a survey has shown that 20 per cent of residents could not afford a good roof.

Roofs loans range from Rs. 1000 to Rs. 10,000 and have to be repaid within 10 years; to qualify for a roof loan, the applicant has to have invested twice the value of the loan in the construction of the house. Two persons from the same block, who have not taken a roof loan, have to stand guarantor and to surrender their plot cards to the HDA along with the applicant's card. The HDA has set aside an amount of Rs. 100,000 for each block, leaving the distribution of the loan to the block committee; by November 1989, the Authority had provided loans to an amount of Rs 1.1 million. The programme turned the Hyderabad Development Authority into a lending institution with a responsibility for loan recovery, while it had tried to avoid cost recovery by introducing the incremental development of infrastructure.

Some residents complain that the block committee has misused its power and has extended loans to its members, their relatives and their friends. Many borrowers seem to have used the loan for other purposes than the construction of good roofs, such as businesses and weddings (Hasan, 1990: 28). Recovery rates vary from block to PN53 block, and range from 30 to 80 per cent.

Infrastructure delivery

The plots in Khuda-ki-basti were initially only served by unpaved roads, while water was supplied by trucks from the Hyderabad Development Authority. The Authority constructed one water tank in the area; subsequently, the residents built two more water tanks on a co-operative basis. These tanks were supposed to provide drinking water and water for building activities only, but, as the settlers started to construct brick houses, the need for water sharply increased. This forced the Hyderabad Development Authority to lay an 8-inch water pipeline in Khuda-ki-basti, with a few public stand posts.



9. Unpaved street in Khuuda-ki-basti



10. Commercial street in Khuda-ki-basti

Only as the residents pay their development charges is infrastructure provided; by 1988, a majority of the residents (72 per cent) had piped water in their lanes. In February 1989, about 60 per cent of the allottees were paying their charges regularly, some 28 per cent were in arrears, and 12 per cent had not paid any installment. The allottees of several blocks had accumulated funds far in excess of their due installments, in an attempt to obtain certain facilities ahead of schedule (Van der Linden, 1989: 9).

At the start of the scheme, the residents used bucket latrines (i.e., buckets placed under the toilet, which have to be removed and emptied manually) for the disposal of human waste. When officials realized that this system posed a serious health hazard, they tried to increase the down payment to Rs. 1700 so that a soak pit, a squatting plate and a vent pipe could be included. However, residents objected to this cost increase, so the HDA decided to include only the concrete toilet top. Almost all residents have now built soak pits themselves; however, most of the pits are uncovered and owing to the rocky soil, the pits fill up quickly.

The provision of electricity has been a problem in Khuda-ki-basti. While the Hyderabad Development Authority is responsible for the overall development of the scheme, it has to apply to the Water and Power Development Authority for the installation of an electricity-supply network. Some communities in Khuda-ki-basti paid the funds required for the installation of electricity in their blocks to the Hyderabad Development Authority in December 1987, but electricity had not reached the blocks by July 1988. The reason for the delay was that the officials of the Water and Power Development Authority (WAPDA) are used to receiving kickbacks from private developers for the installation of electricity and could not secure those from the Hyderabad Development Authority. The community organization in sector D-6 solved the problem, when it agreed to dig the holes for the foundations of the electricity poles and to let WAPDA officials keep the money meant for this purpose. Since other blocks in Khuda-ki-basti are not so well organized as D-6, they were unable to reach such an agreement (Aliani, 1988: 43).

Public services

As Khuda-ki-basti is located quite far, from Hyderabad, the Hyderabad Development Authority organized a bus service to the city from the very start of the project. Later on, private companies started operating bus services. At present, the Sind Regional Transport Corporation operates seven buses which make 25 trips a day to the city, while a private company operates a bus once a day: in both cases, the fare is Rs 1.50. The bus service is rather unreliable and this creates problems for persons who have to work in Hyderabad. At the same time, 10 Suzuki vans make trips to and fro throughout the day; a single trip by pick-up van costs Rs. 2.50.