

Table 14. Infrastructure installed in Khuda-ki-basti			
<i>Source: Hasan, 1990: 38</i>			
Water supply	*	1,376	private connections
	*	90	public stand posts
	*	52,500	rft. of water pipes
Sewerages	*	20	per cent of the houses with sewerage connections
	*	18,850	rft. of sewer lines
	*	35	per cent of the households with soak pits
Electricity	*	216	private connections serving 600 households through direct connections

There is a post office, a branch of a bank, 211 shops and nine mosques in Khuda-ki-basti, but, as there is still a lack of adequate public services such as schools and hospitals, as well as shopping places, many people have to commute to either Hyderabad or Kotri. A survey found that average monthly transport expenditures per household amounted to Rs. 200 or 12 per cent of total household income: this situation will improve when the settlement develops further (ESCAP, 1990: 97).

There are three primary schools in Khuda-ki-basti. One of the schools is a public school, with parallel classes where Urdu and Sindi are the respective media of instruction. In the evening, the governmental school houses a nai roshni ("new light") school which aims at providing basic education to children who do not attend regular schools. The two private schools teach children up to the eighth level. The total enrolment in 1989 was about 450 children, almost equally divided over the three schools: about 60 per cent of the children in Khuda-ki-basti go to school (Van der Linden, 1989: 41-42).

Apart from the formal schools, Khuda-ki-basti has some home schools, run in private houses; there, educated but unqualified women and girls give literacy and arithmetic classes to children who do not attend school. The home school levies a small fee from the children. Although 65 per cent of the adults are illiterate, there is no programme to promote adult literacy (Van der Linden, 1989: 41-42; Aliani, 1988: 44).

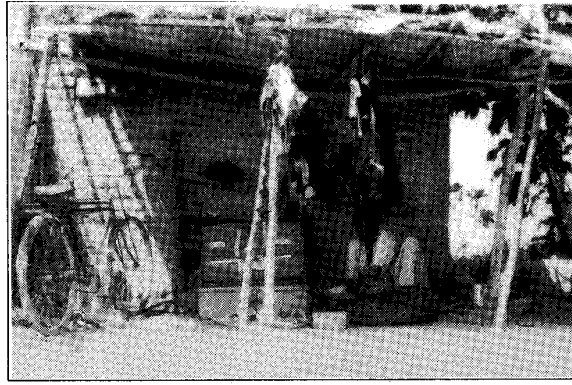
Initially, medical facilities in Khuda-ki-basti were generally considered inadequate. In 1988, there were only three qualified doctors serving a community of some 20,000 persons; in 1990, there are five doctors and five para-professionals. Initially, there was no permanent medical clinic and no ambulance service and, as a result, several cases of death had been reported in Khuda-ki-basti owing to a lack of immediate medical attention. There are now two permanent clinics, three mobile clinics and an ambulance service (Aliani, 1988: 44; ESCAP, 1990: 96).

Table 15. Educational facilities in Khuda-ki-basti			
<i>Source: Siddiqui, 1988: 25</i>			
Types of schools	Number of teachers	Number of students	
		Male	Female
Public primary school	2	39	31
Private primary school 1	7	131	86
Private primary school 2	6	104	99
Nai roshni school	1	30	-
Total	16	304	216

Community participation

The Hyderabad Development Authority has always been aware of the importance of community participation for the success of the incremental-development scheme. Initially, it tried to bring about community participation through social workers, i.e., self-styled local leaders in the settlement; soon, it became clear that these social workers did not truly represent the community. Thereafter, applying the experiences gained by the Orangi Pilot Project in Karachi, efforts were made to organize the population at the lane level, but, since the people did not always identify themselves at this level, the approach was not successful everywhere.

In August 1988, The Hyderabad Development Authority organized elections in the settlement at block level (100 - 250 houses). In blocks with few problems, elections took place by raising hands at a public meeting; in other blocks, secret ballots were cast. Each of the blocks elected a committee with three members. The block committee manages the block account where residents deposit installments to finance the development of infrastructure in the blocks. The committee is responsible for the collection of development charges and for the identification, budgeting, supervision and payment of infrastructure-development projects (Hasan, 1990: 27).



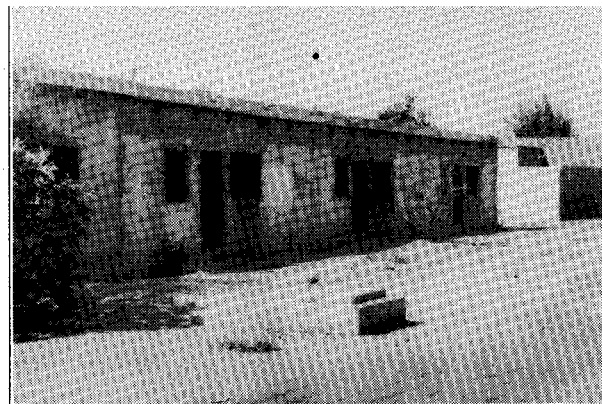
11. The informal sector: a shoemaker

The committee distributes and controls the roof loans which the Hyderabad Development Authority provides on behalf of the Housing Building Finance Corporation. It issues notices of cancellation of plots to defaulting residents. It supervises social-welfare activities in the block, takes legal action against unauthorized occupants and also solves conflicts between neighbours. Some committees have clearly contributed to the development of their blocks, but, owing to corruption and conflicts between the blocks, self-management in Khuda-ki-basti has not been very successful (Hasan, 1990: 27). Another task of some block committees is the management of plot-transfer fees. Some blocks decided that part of the unearned profit gained when a plot is transferred should be retained and used for the benefit of the community. Transfer fees range from Rs. 1000 to Rs. 1500. In one case, the community supported a poor widow out of the funds collected from transfer fees; however, there : have also been complaints about misuse of the funds by committee members (Van der Linden, 1989: 25).



12. Coffee shop in Khuda-ki-basti

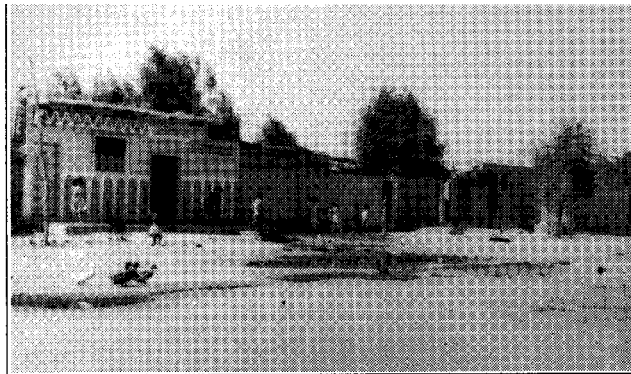
As could be expected, there is a direct correlation between the level of community organization in an area and the availability of infrastructure: A majority of the lanes in Sector D-6 are well organized, and the construction of a water-supply and electricity network was in progress by 1988. Many lanes in block B of Sector E-4 have piped water, sewer lines and electricity, because the Al Shahbaz Welfare Society enjoys great support, and its president and general-secretary live in the block. Sector E-3 has the least infrastructure of the three blocks: some lanes have water supply, but the lanes have neither sewer lines nor electricity.



13. Permanent rooms in the reception area

There are two reasons why community organizations exist either at lane level or block level, in some sectors and not in other sectors . The Hyderabad Development Authority, first, tried to launch the incremental-development scheme in

sector D-6, but, when it discovered that it was serving the wrong target group, it virtually abandoned the sector and started anew in sector E-4. This led to the feeling, among residents of sector D-6, that, if development was to come to their sector, they would have to arrange it themselves. The residents were also more successful this in organizing themselves because they are generally better educated and have a higher income than the population of other sectors.



14. Permanent and semi-permanent houses in sector E-4

In Sectors E-3 and E-4, the HDA virtually spoon-fed development to the residents: services in many lanes in these sectors were the result of initiatives of either HDA officials or *dallals*. This situation stifled any initiative of the residents to organize themselves. Recently, some residents of sector E-4 have wrested control over the community organizations from the *dallals*, and this has increased the pace of development in those parts of the sector where the new leaders, reside. Sector E-3 has no cohesive leadership, and there has been virtually no development (Aliani, 1988: 56-59). Figure 9 shows the infrastructural development in sector E-4 and the location of the houses of the leaders.

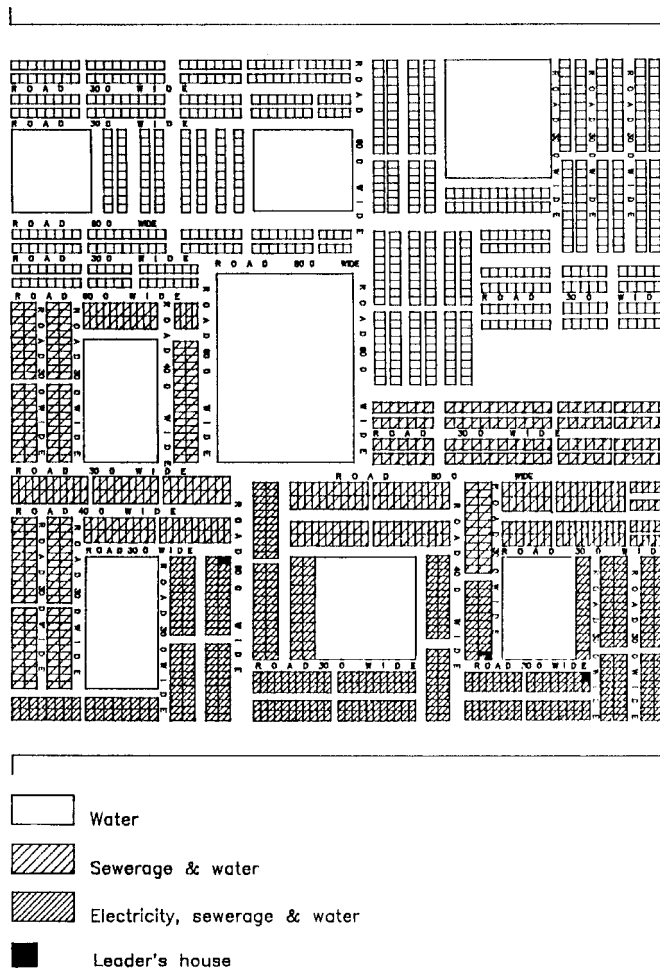


Figure 9. Sector E-4 with infrastructural development

* Note: The socio-economic data on Khuda-ki-basti presented in chapter come mainly from two sources. Aliani did research in Khuda-ki-basti for his MSc thesis in May/June 1988 (Aliani, 1988), while Van der Linden did his research in February 1989 (Van der Linden, 1989). Both researchers interviewed a sample of 100 households from the population of Khuda-ki-basti for their surveys.

VI. LESSONS FROM THE INCREMENTAL-DEVELOPMENT SCHEME IN HYDERABAD

Reaching the target group

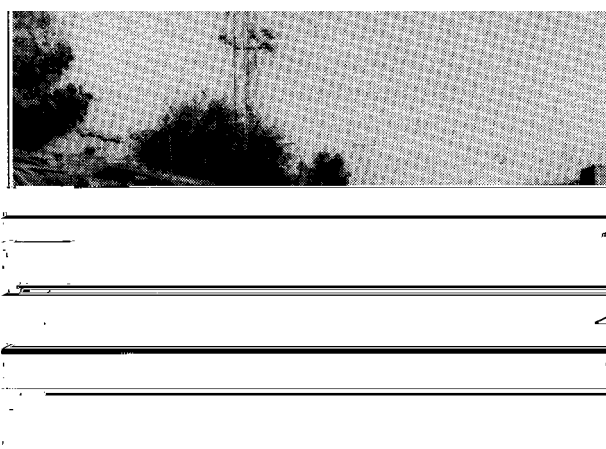
In order to determine whether the incremental-development scheme reached the target group, four questions need to be answered:

- Is a plot in the incremental-development scheme affordable to the target group?
- Does the intended target group gain access to the scheme?
- Do high-income groups gain access to the scheme, and does this reduce opportunities for the actual target group to enter the scheme?
- Does the intended target group sell property to high-income groups, as the value of the land increases?

The incremental-development scheme offers land for housing at the lowest cost possible without subsidies: the allottee pays for the cost of the raw land without any development. However, the price of a raw piece of land might still be too high for the poorest households without any savings. For them, there is probably no other housing option than rental housing in either the formal or the informal housing market. The extended family is often able and willing to provide a household with a relatively large amount of money, to make the down payment for the purchase of a plot of land.

Surveys in Khuda-ki-basti show that a few households earning a total monthly income of Rs. 500 or less, have gained access to the scheme. The incremental-development scheme, however, reaches mainly households with a total monthly income of Rs. 500 – 1,500. The Hyderabad Development Authority identifies such households as the middle-low-income and upper-low-income groups: some 50 per cent of households belong to these income brackets.

The incremental-development scheme also provides shelter to middle-income households; 23 per cent have a monthly household income of more than Rs. 2000. However, these households do not compete with the low-income groups for a plot in the scheme, as there are sufficient plots to satisfy the demand of all households prepared to live in Khuda-ki-basti. Furthermore, a sizeable number of families reported a rise in income, owing to the establishment of informal-sector enterprises in the scheme; this could be an indication that quite a number of residents, now classified as belonging to the middle-income groups, were actually poor when they moved to the scheme.



By requiring permanent occupancy of the plot, the incremental-development scheme succeeds in keeping high-income groups which are interested in purchasing land for investment or speculation out of the scheme. Owing to its reliance on *dallals*, the incremental-development scheme has not been able to suppress multiple-plot ownership. The plots are supposedly owned by local residents, in some cases on the behalf of the *dallals*. It seems that this was unavoidable, but it also shows that the admission procedure for the scheme was not foolproof.



16. Private vans used for transport to Hyderabad Kotri

However, as the scheme (incrementally) develops, the area will definitely become attractive to high-income groups, in particular after the infrastructure has been fully developed. The original residents might be tempted to sell their property to high-income households, but this should not be too serious, as long as they can acquire the full profit of developing the area. On the other hand, a scheme which tries to keep high-income groups out, by offering sites-without-services, could also keep them out permanently, by offering only small plot sizes and narrow roads.

Impact on the housing market

It is difficult to determine the impact on the housing market and, in particular, the rental housing market in Hyderabad of a scheme which is only three years old and has not more than 20,000 inhabitants. Data on the housing market over time are scarce; however, the data which are available (Van der Linden, 1989) indicate that the impact until now has been limited. Many households, which belong to the target group and aspire to own a house, do not want to move to Khuda-ki-basti; the main reasons mentioned for their reluctance to move were that they wanted to stay near their places of work and near their friends and relatives.

According to Van der linden (1989: 4, 49), only those households which have no other option will move to a remote place, such as Khuda-ki-basti. The others will not take that risk and stay close to relatives and friends whom they need in times of hardship. It is typical that, among the households in Khuda-ki-basti, some 70 per cent have relatives in the same locality. The limited impact of the incremental-development scheme on the housing problems in Hyderabad is also reflected in the increase in rents in *katchi abadis* of Hyderabad 25 - 50 per cent in the past two years.

An alternative to illegal sub-divisions?

The incremental-development scheme in Hyderabad has not been able to stop the growth of illegal sub-divisions. Various reasons have been advanced to explain the ongoing attractiveness of illegal subdivisions for the urban poor, despite the existence of a legal settlement like Khuda-ki-basti. Apart from the fact that there exists only one incremental-development scheme and that location is of great importance for the urban poor, four factors seem to be particularly relevant:

- The unattractiveness of the reception area in the incremental-development scheme.

The requirement that the household has to live for two weeks in the reception area of the incremental-development scheme deters many low-income households from joining the scheme. The rental housing now available in the reception area has improved the conditions somewhat, but some households feel that the reception area is an improper place for them to live.

- The freedom to select a plot in a particular location in illegal subdivisions.

In illegal subdivisions, the buyers are free to select a plot wherever they want. They can Join relatives or friends and start a neighbourhood of households originating from the same region. They are not allowed to select their plots of land in the incremental-development scheme, although this would definitely facilitate quick organization and development of communities.

- The prospect of the provision of infrastructure free of cost in the illegal subdivisions.

Under the *Katchi Abadi* Regularization and Upgrading Programme, authorities grant security of tenure and provide infrastructure to all informal settlements which can be legalized. The residents have to pay for the land and the infrastructure, but cost recovery is poor, and many residents of illegal sub-divisions expect that with some political support, they will be able to obtain infrastructure and services free of charge or without having to pay the full amount.

- The bundle of services, besides housing, which the illegal sub-divider can offer to the allottees.

The Hyderabad Development Authority provides the allottees with a plot in the incremental-development scheme with a loan to construct a house and start a business and with infrastructure once sufficient payments have been made. This is where the mandate of the Hyderabad Development Authority ends. An illegal sub-divider is not only concerned with land development; he is a patron for the people in his scheme, and they are his clients. In exchange for their support, he provides all sorts of other services which HDA can never provide, such as credit for other purposes than housing, employment and access to politicians and governmental officials.

Improving housing conditions

The objective of the incremental-development scheme is not only to provide land for housing the urban poor but also to provide the poor with better housing conditions than in their previous residence. While for many residents, tenure security might be better than in a *katchi abadi* or in rental housing where they lived before, initial housing conditions were probably worse than before. The Hyderabad Development Authority is faced with a paradox of standards in the incremental-development scheme. Standards are still imposed to safeguard public health, but, if standards are enforced in a low-income housing scheme, the poor cannot afford to live in the scheme and are forced to live in illegal settlements below acceptable standards. However, if standards are waived, living conditions can improve gradually, as many allottees will invest in the improvement of their houses whenever they can. This principle is clearly proved valid in illegal subdivisions and is also visible in Khuda-ki-basti: many households improve their houses as soon as they can.

The Hyderabad Development Authority tried to set some minimal standards, such as the setback from the plot boundary (which it does not enforce) and the construction of a soak-pit latrine (which tends to be of a poor quality). Fortunately, densities in Khuda-ki-basti are rather low; in different circumstances, the agency might be forced to impose standards and regulations to prevent the deterioration of sanitary conditions in the area.

Improving Infrastructural conditions

While there is a good chance that people will improve their housing conditions, if and when their resources allow them to do so, this is not necessarily true for the infrastructure. In many illegal subdivisions, infrastructure is provided without the residents having to pay for it (in advance). Various scenarios are possible for the incremental-development scheme:

- A block does not accumulate sufficient funds for the provision of a particular type of infrastructure, because some households cannot or are not prepared to pay their development charges.
- The community pays its development charges so slowly that, by the time full payment has been made, the cost of infrastructure exceeds the original cost estimates.
- Before it has fully paid its development charges, the community through its leader, approaches officials at echelons higher than the Hyderabad Development Authority, with a request for the provision of infrastructure.

It is obvious that successful completion of the incremental-development scheme depends on the ability and willingness of residents to pay (in advance) for infrastructure in the scheme. If they do not pay, the settlement will remain without infrastructure, in a condition similar to that of the *katchi abadis*. Eventually, the agency responsible for the regularization and upgrading of *katchi abadis* will have to provide the necessary infrastructure and try to recover costs from the residents.

Community participation

The future of an incremental-development scheme, such as Khuda-ki-basti, depends largely on the ability of the community to organize itself for the development of its settlement. Such a community organization is necessary to put pressure on households to pay development charges and to contribute labour for construction of infrastructure. In the incremental-development scheme, the Hyderabad Development Authority follows what Turner calls the traditional sequence of development; it provides land before the people have organized themselves for the occupation and development of that land. As a result, the Hyderabad Development Authority is faced with an unorganized population in Khuda-ki-basti. As residents are new to one another, the trust and mutual reliance found in many informal low-income settlements is still lacking in Khuda-ki-basti.

The approach followed in low-income housing projects, such as sites-and-services schemes and the incremental-development scheme, is inherently individualistic in character. The acquisition of land, the construction of infrastructure and the development of housing usually do not require any real community effort and do not contribute to the creation of a cohesive community. A strong community spirit is, however, essential in low-income settlements, as the poor have to rely heavily on one another to survive economically. Consequently, the informal approach to settlement creation, which is people-oriented, is best suited to meeting the housing needs of the urban poor. For

successful community and infrastructure development, the Hyderabad Development Authority would have to induce a community organization, but it is unable to organize communities, because this is not part of its mandate and because it does not have the appropriate staff to conduct community development. It leaves the organization of the communities to the *dallals* and other unscrupulous leaders.

One possible solution seems to present itself. Rather than settling individual households from all over the city and the rural areas, the Hyderabad Development Authority could settle entire groups or communities from *katchi abadis* which cannot be regularized or improved. This would make it unnecessary for the Hyderabad Development Authority to conduct community-development work. In effect, it would have to follow the settlement sequence which Turner calls "organized squatting" (see figure 4). In this sequence, the people are organized before they settle in the new area:

PEOPLE — LAND — HOUSING — INFRASTRUCTURE

Project organization

The development of the incremental-development scheme can be divided into several phases - the preparation of the site, the selection and settlement of the allottees, the construction of the houses and the development of the infrastructure. Only the first two phases require the direct involvement of the Hyderabad Development Authority; once the allottee has made his down payment and occupied his plot, the role of the Authority is finished. The construction of the house is the responsibility of the resident, the provision of infrastructure is the responsibility of the concerned agencies and/or of the community.

The continued presence of the Hyderabad Development Authority makes the community dependent on the Authority and raises the expectation that the Authority will, eventually, do all the work. If the Hyderabad Development Authority would withdraw after settling the residents, the residents would be in a situation similar to that in an illegal subdivision but for its legality. They would then have two options: they could work with a non-governmental organization, as residents of Orangi work with the Orangi Pilot Project, and upgrade the settlement on their own, or they could do as the residents in illegal subdivisions do and pressure public-utility agencies to provide infrastructure, but only after they have collected sufficient funds to pay for it.

However, it will not be easy to find a suitable non-governmental organization which is capable of executing such a project, in particular in Pakistan where many grass-root organizations have the reputation of serving only the interests of the leaders. Some organizations, such as the Orangi Pilot Project, have successfully implemented upgrading projects, but their number and areas of operation are rather limited.

Co-opting the dallals

An alternative approach would be for the authorities to co-opt the illegal sub-dividers in the low-income housing projects. The authorities could designate particular areas for development of low-income residential areas and ask *dallals* to organize the settlement of the urban poor in such schemes. The authorities would have to allow the *dallal* to set aside a certain number of commercial and other high-value plots for future sale, so that he can make a profit, but, if several schemes could be initiated at the same time by different *dallals*, market forces could provide the low-income households with a choice of residential areas and with competitive prices. Co-opting the *dallals* into the formal low-income housing-delivery system would be a mere recognition of the present reality that the informal private sector creates better housing opportunities for the low-income population than the public sector. However, before such a step can be taken, it is necessary to see how any negative aspects; of the involvement of the *dallal* in formal low-income housing projects (as experienced in Khuda-ki-basti) can be minimized.

Replicability

The incremental-development scheme, as implemented in Hyderabad, can be replicated, provided the development or housing authority can provide land at a price which is affordable by the lowest-income groups and which they can pay up-front, preferably as a lump sum, to avoid any need for cost recovery. In addition, the supply of such land must be sufficiently large to avoid waiting lists and selection procedures which would make entry into the scheme by the urban poor difficult. The Hyderabad Development Authority was in the fortunate position that the land in and around Hyderabad is owned by the government and that it is non-arable, desert land with a very low if not zero opportunity cost. These conditions enabled the Hyderabad Development Authority to make plots of 80 square yards of land available to the lowest-income groups at a price of Rs. 1000.

Furthermore, Hyderabad is not a rapidly growing city with a strong pressure on land. If there is considerable pressure on land, the selection mechanisms applied in Khuda-ki-basti (such as the reception area and the requirement to live on-site permanently) would not have been successful. The employment of front men would have been worthwhile and middle-income households could have acquired one or more plots which they would have occupied once all infrastructure and services had been installed.

However, the replicability of the incremental-development scheme seems a political rather than a technical or a financial issue. The Hyderabad Development Authority faced many difficulties in implementing the scheme - many of a political nature and some due to local politics, but others with a general relevance. It encountered considerable opposition from local politicians and governmental officials with a stake in illegal subdivisions (and from the illegal sub-dividers - themselves) who rightly considered the incremental- development scheme as a competitor for the supply of land for the urban poor.

The Hyderabad Development Authority also came under fire from politicians, administrators and technocrats, for creating a low-income housing scheme without any standards, thereby creating unacceptable living conditions. They accused the Hyderabad Development Authority of creating a legal slum, by allowing residents to build whatever they wanted and by involving the community in the installation of infrastructure. Many also found it unacceptable that the residents do not get a title before they have paid all development charges: there is a permanent danger that the politicians "on behalf of the residents" will demand land titles and infrastructure from the government, before the charges have been paid.

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