

# Urban Poverty & Slum Dwellers

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**Millennium Development Goal 7:** Ensure environmental sustainability.

**Target 11:** By 2020, achieve significant improvement in the lives of at least 100 million slum dwellers.

## Are we on track to meet the target?

		Africa		Asia				Latin America & Caribbean	Commonwealth of Independent States	
		Northern	Sub-Saharan	Eastern	South-Eastern	Southern	Western	Europe	Asia	
<b>Improve the lives of Slum Dwellers</b>		moderate proportion of slum dwellers	very high proportion of slum dwellers	high proportion of slum dwellers	moderate proportion of slum dwellers	high proportion of slum dwellers	moderate proportion of slum dwellers	moderate proportion of slum dwellers	low proportion of slum dwellers	moderate proportion of slum dwellers
Percentage of urban population living in slums (%)		1990	2005	1990	2005	1990	2005	1990	2005	2005
		38	72	41	37	64	26	35	..	..
		15	62	37	28	43	24	27	..	..

**Line 1 (progress)** – The words describe current levels. The colours show the trend towards meeting the 2015 target.

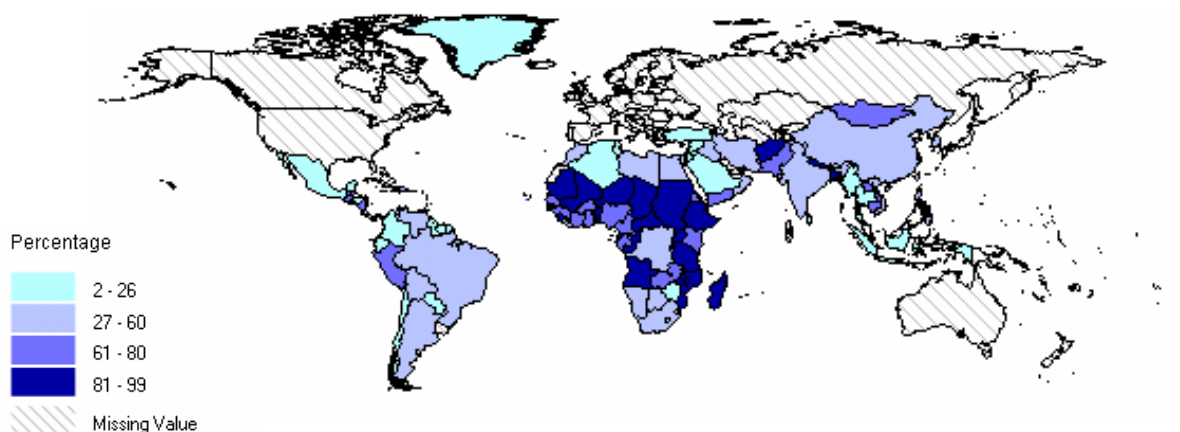
**Key:** **Dark Green** = target met. **Light Green** = almost met, or on target. **Orange** = some/negligible progress, but insufficient to meet target.

**Red** = no change or negative progress.

**Line 2 (level)** – **Urban population living in slums (%)** – Key: Please refer to map key below.

**Source:** United Nations Statistics Division - UN Millennium Development Goals Report 2007

**Progress:** Overall in developing regions, the percentage of urban population living in slums may have decreased slightly. However, urban population has increased rapidly so that, in 2007, the majority of people will live in urban areas for the first time in history.<sup>2p.20</sup> This urban growth has resulted in a larger number of people living in slums. This is particularly the case for sub-Saharan Africa, where cities have grown most rapidly, and with almost equal growth in their slums (4.5 per cent annual growth between 1990 and 2001).<sup>2p.20</sup> This means that about three quarters of the urban growth is in slums. In Southern Asia also, there remains a very high proportion of slum dwellers, despite a small decrease.



Slum population as a percentage of urban population (2001)

Source: UN "Millennium Development Goals Indicator" Database" (2007)

"In 2007, for the first time, there will be more people living in cities than in rural areas." <sup>1p.4</sup>

## Key messages

- Nearly all future population growth will be in the cities and towns of the developing world.
- Urban households are considered to be poor when the resources they command are insufficient to achieve a minimum level of welfare, and there are differences between household members – women, girl children and the elderly may be particularly deprived. <sup>3p.15</sup>  
The urban poor live in a monetised economy and may have high costs for housing, transport, education, or basic services and may incur costs for example bribes to enable them to work informally. They also suffer particularly from adverse social impacts of recession or other price shocks.
- Urban poverty is often manifested in poor living conditions and many poor people live in slums. A slum household is defined by UN-Habitat as a cohabiting group, who lack one or more of the following five conditions:
  - Durable housing - a permanent structure adequate to protect inhabitants from extremes of climactic conditions.
  - Sufficient living area - not more than three people to a room.
  - Access to improved water - sufficient amount of water available at an affordable price.
  - Access to sanitation - a private toilet or public toilet shared with a reasonable number of people.
  - Secure tenure - documentation of secure tenure status or protection against forced eviction.
- Cities in Asia have the largest number of slum dwellers in absolute terms. However as the urban growth rate in Africa is nearly double that in Southern Asia, by 2020 the absolute numbers living in slums in Africa will have overtaken the numbers living in slums in Southern Asia. <sup>1p.15</sup>

## Facts and figures

- Current estimations are that there are some 998 million slum dwellers. This is one third of the world's total urban population. <sup>1p.11</sup>
- 94% of the world's slum dwellers live in developing regions. These are the regions experiencing the most rapid growth in urban populations and with the least capacity to accommodate this growth. <sup>1p.11</sup>
- The population living in slums is forecast to increase to 1.4 billion by 2020, <sup>1p.34</sup> and by 2030 both Africa and Asia will be predominantly urban. <sup>1p.4</sup>
- 72% of Africa's urban population lives in slum conditions. <sup>1p.11</sup> In poorer countries in Africa, this is over 80% of the total urban population. <sup>1p.188</sup>
- Cities in the developing world will absorb 95% of urban growth in the next two decades <sup>1p.10</sup> and total urban population is expected to grow to 5 billion by 2030. <sup>4p.1</sup>
- One element of MDG target 11 is access to sanitation. Currently 560 million city dwellers do not have a basic decent toilet facility (UN-Habitat 2006). <sup>1p.84</sup>
- Between 2000 and 2002, 6.7 million people were evicted from their homes. <sup>1p.17</sup>

“If current trends continue there will be 1.4 billion people living in slums by 2020 .” <sup>1p.18</sup>

## Challenges and solutions

- Target 11 is important because improving conditions in slums is central to reducing urban poverty. The presence of slums is often evidence of inappropriate regulation or the failure of municipal governments to manage or plan for urban growth. Slums reflect income inequalities between groups, with visible dimensions of urban poverty often in close proximity to wealth.
- The urban poor face multiple challenges. Insecure tenure reinforces poverty and social exclusion. Slum dwellers are excluded from many of the attributes of urban life critical to full citizenship, facing restricted access to economic activity, credit, health and education services and exclusion from safety, the rule of law or political voice. People in slum areas often face stigmatization, discrimination, and geographic isolation, and suffer disproportionately from water-borne diseases including typhoid and cholera. <sup>1p.131</sup> Surveys suggest that in some African cities, the death rate of children under five living in slums is twice that of children in other urban communities.
- Innovative solutions to these challenges are now being developed. National approaches have now generally shifted from policies such as forced eviction or benign neglect, to a more positive focus that supports self-help, upgrading and rights-based approaches. Secure tenure, the right to occupy property, is now recognised as critical for the urban poor as fear of eviction inhibits households from investing in shelter improvements, and many countries are now seeking to regularise tenure for slum dwellers.
- The various impacts of climate change provide new challenges to cities. Of the 33 cities projected to have at least 8 million residents by 2015, at least 21 are coastal cities that will have to contend with sea-level rise from climate change. Furthermore, within cities it is often low-income households, including slum dwellers, who live on marginal land which is more vulnerable to extreme weather events.
- There is a critical need for increased financial flows to attain the MDG slum upgrading target. It is estimated that current development assistance meets between 5 and 10% of the financing required. Local capital markets have an important role to play in bridging this finance gap. Multilateral donors are beginning to support new sub-national aid instruments to invest in urban improvements and to improve the credit-worthiness of cities.

## What the UK government is doing to help

DFID provides core funding to UN-Habitat of £1 million per year. UN-Habitat is the lead UN agency for urban development and shelter. The Cities Alliance is a coalition of cities and their development partners, which provides matching grants in support of city development strategies. DFID is supporting Cities Alliance with £3 million of funding over four years. DFID is also separately funding the Slum Upgrading Facility to work with communities and local governments to develop innovative mechanisms for financing slum upgrading in four focus countries, Indonesia, Sri Lanka, Tanzania and Ghana.

DFID has around 20 years involvement in the urban sector in India. Over this period our programmes have evolved from a concentration on infrastructure and community schemes to a focus on urban reforms. We have ongoing urban programmes in three of our focal states, Madhya

“One out of every three city dwellers – nearly one billion people – lives in a slum.”<sup>1p.11</sup>

Pradesh, West Bengal and Andhra Pradesh. DFID projects have been very successful in reforming urban service provision - city revenues have increased often by 3 times, Citizens Charter and e-governance measures have been introduced, urban poverty cells have been established and community linkages have been transformed.

DFID, in partnership with like minded donors, has taken a lead in tackling the constraints to private sector participation in improving infrastructure in slums. DFID is providing US\$10 million to the Community Led-Infrastructure Financing Facility, which works in partnership with poor communities to access resources from public and private sectors for slum-upgrading. The programme is active in India and is being rolled out in Kenya. DFID is also providing US\$10.9 million to the UN-Habitat managed [Slum Upgrading Facility](#) (SUF). This facility will provide technical assistance to help municipal governments mobilise domestic capital for urban infrastructure and housing.

The DFID policy division team “Urban and Rural Change” stimulated research and debate on a number of urban poverty issues. This work is now continuing through other policy division teams, working on migration, growth, infrastructure and health.

Entrepreneurial activity, including small enterprise, is critical for improving the lives of slum dwellers, many of whom work informally. DFID is supporting business development programmes in countries including South Africa, Nigeria, India and Bangladesh.

Slum dwellers frequently lack access to safe water and adequate sanitation. DFID engages at many levels to make progress in this sector. This includes financial support to the [Water and Sanitation Programme](#) (WSP) and projects for community water services such as [Water and Sanitation for the Urban Poor](#) (WSUP). These are reported more fully in the Water and Sanitation Factsheet.

DFID recently launched a policy paper on [Land, Better access and secure rights for poor people](#). This recognises the importance of land tenure for urban shelter and economic activity for the urban poor. It discusses land issues at the interface between urban and rural areas where there are often pressures to reclassify agricultural land. This links to DFID funded research work on this “peri-urban interface”.<sup>5</sup> DFID currently has some £50 million worth of commitments on land and property rights. We are helping the African Union develop a regional framework to support national action plans on land. We are providing funding and advisory support to help the Commission for Legal Empowerment of the Poor to develop practical policy options for better legal protection and economic opportunities for poor people.

In Southern Africa, DFID has two linked land programmes, totalling £2 million over two years. The urban component “Urban LandMark” aims to improve institutions and regulatory frameworks that make urban land and property markets work better for poor people.

## Impact and results

In the India state of West Bengal, DFID has supported the Kolkata Urban Services Project (KUSP). This project is improving the integration of slums and informal settlements into city development plans. There have been significant improvements in local infrastructure with 80% of the poor

reporting a 50% improvement (over baseline figures) in access to improved services. KUSP is also influencing National and GoWB policy in prioritising pro-poor resource allocation.

The Community-Led Infrastructure Finance Facility (CLIFF) was established in 2002 to provide finance to organisations of the urban poor for infrastructure and housing demonstration projects. The fund has changed the banking and municipal policies to promote slum upgrading, and leveraged additional finance from public and private sectors. CLIFF continues to progress in Kenya and has recently expanded to the Philippines. To date, around £5.3 million has been disbursed to local partners to provide the finance required for housing for 7,000 families and access to sanitation for over two million slum dwellers.

## Case Study

**Andhra Pradesh - Urban Services for the Poor (APUSP)** is a partnership project between the Government of Andhra Pradesh and DFID, designed to achieve a sustained reduction in the vulnerability and poverty of the urban poor. The seven year project was launched in 1999 with a total financial commitment of £94.4 million grant funds. The project has been extended by another two years, and will end in March 2008. It initially covered 32 towns in Andhra Pradesh with population over 100,000. After the mid-term review, project coverage was extended to 42 towns.

Achievements to date include:

- Comprehensive Municipal Action Plan for Poverty Reduction methodology evolved and implemented in all municipalities. This tool is being used for infrastructure planning and interventions in poor settlements
- Municipal Reforms in place in all target municipalities including: Efficiencies in procurement procedures, Accounting reforms in line with JNNURM requirements, Property tax assessment and collection, New tax net, complaint management systems.
- Major effort on creation of all women self help groups, federating them, and linking them to banks.
- Livelihood programme implemented to develop slum dweller skills linked to available opportunities for wage employment
- Municipalities' own sourced revenues increased by around 300% in many towns
- Third party quality assurance for all municipal works mandated by Government
- Specific budget allocation for the poor of 40% of own sourced revenues introduced within the state.

1. Unless otherwise indicated the source of all data is the [UN-Habitat \(2006\) State of the World's Cities 2006/07](#)
2. United Nations: [The Millennium Development Goals Report 2006](#)
3. [United Nations Millennium Project](#)
4. [State of World Population 2007](#) Unleashing the Potential of Urban Growth
5. Brook, Robert and Davila, Julio D. (eds.) (2000), [The Peri-urban Interface. A Tale of Two Cities](#), University
6. United Nations: [The Millennium Development Goals Report 2007](#)
7. [Urban Governance and Poverty: Lessons from a Study of Ten Cities in the South](#) – Devas, N et al (2001) College London
8. Jawaharlal Nehru National Urban Renewal Mission: <http://jnnurm.nic.in/>

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