



Shelter Report 2008:

**Building a secure future
through effective land policies**

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Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry. HFHI seeks to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action.

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Foreword



Let us work for secure tenure together

In my travels, I am dismayed to see the pain of so many families who cannot legally claim the house in which they live or the land in which their lives are rooted.

In fact, more than 20 percent of our neighbors in this global village wake up daily to the threat of losing either their homes or their land—or both. Secure tenure—the freedom to live without fear of eviction—is fleeting, at best, for one in five of us. Such a lack of security makes poverty housing worse, depriving people of even the most basic physical, economic and psychological stability that we know adequate shelter creates.

Without support from the international community, many poor families in developing countries will never have the same secure tenure that so many of us in the developed world enjoy—and even take for granted. So it may seem amazing that secure tenure, a legal title or something like it, can become a building block for a poor family and community.

Secure tenure brings so much more than legal ownership: If a family doesn't have to move repeatedly, energy can turn to education for children; if a community gets the permanent recognition of secure tenure, it can demand clean water and sanitation which bring better health. The United States can be a global leader in helping poor people by focusing on secure tenure, a foundation for reducing poverty.

Nowhere is the issue more pressing than in slum communities where secure tenure not only helps families overcome barriers to better housing, but also fosters other social and economic benefits, creating greater opportunities for families who need them the most.

In this report, we take a look at what stands in the way of secure tenure for millions of people around the world. We examine how secure tenure is growing on a global scale and what solutions will nurture that growth. We also recommend specific measures the U.S. government can take now to inspire and support an upward spiral of awareness and work toward secure tenure worldwide.

Until the issue of secure tenure is successfully addressed, millions of people around the world will continue to be displaced, unable to secure adequate shelter or to claim land and housing that are rightfully theirs, unable to claim the stability that brings better education, health, hope and future promise. But we can help short-circuit the cycle of poverty for many families. Strengthening tenure security is an enormous step, but a step we can take together.

A handwritten signature in black ink that reads "Jonathan T.M. Reckford". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Jonathan T.M. Reckford
CEO, Habitat for Humanity International

Executive summary



Insecure tenure locks millions in poverty

Insecure tenure often lies at the heart of poverty housing, depriving the poor of even the most basic physical, economic and psychological security of adequate shelter. More than 20 percent of the world's population struggles, on a daily basis, to stay in houses or on land where they live and more than 80 percent of the world's population does not have legal documentation of their property rights.

Security of tenure, or the ability to live in a place without fear of eviction, can increase economic growth, address inequalities, and reduce poverty in developing countries. Security of tenure can provide opportunities for investment and the accumulation of wealth and in some cases can encourage business development. Furthermore, security of tenure is about more than just economic assets. Secure tenure can provide a source of identity, status and political power and serve as a basis for the pursuit and acquisition of other rights.

Still, barriers to tenure security remain in many countries. These barriers include insufficient legal and regulatory systems, excessive land regulation, gender discrimination, corruption, inefficient or inadequate land registration systems, the disintegration of customary and traditional protections and the lack of political will around the issue. In addition, millions of people are displaced each year by natural disasters and violent conflicts.

While the poor are disproportionately affected by tenure insecurity, some groups are more vulnerable than others. For example, women and children are greatly affected. Written laws and customs often fail to protect them. Even if protections are available, women and children are more likely to lack the education or resources necessary to assert their rights. Urban dwellers are also seriously hindered by lack of tenure security. As land values in cities continue to increase and affordable land becomes scarce, more poor urban dwellers choose to locate in informal settlements without secure tenure. This leaves them vulnerable to potential disputes and conflict over land, forcible eviction by local government and natural disaster.

Solutions come slowly

Tenure security for the poor is flexible and varied. It includes a politician with the will to issue a proclamation against eviction, a city or government extending basic infrastructure and services to informal settlements, and issuing state-backed titles to every individual homeowner in an informal settlement.

Legal literacy training and writing wills, a program currently of Habitat for Humanity Argentina, can be an effective means of improving tenure security.

While all of these solutions are viable and realistic, change will not come easily or quickly. An incremental strategy focusing first on increasing the perception of tenure security (*de facto* tenure security) and moving slowly toward formal, legally protected tenure security (*de jure* tenure security) should be most effective. This gradual process would channel initial benefits to current residents while giving the market time to fully mature so current low-income residents who decide to sell their rights might receive greater compensation.

Without international support, the poor in many developing countries will never come close to realizing the degree of tenure security enjoyed in the developed world. It's imperative the United States government, through development assistance funding and other appropriate channels, sets measurable goals and increases resources to support the poor's access to secure tenure around the world. Nowhere is this issue more pressing than in informal and slum communities where secure tenure will not only strip away a key barrier to better housing, but would be the catalyst for other key social and economic benefits for the world's poor.



Habitat for Humanity on secure tenure

Tenure security is a vital part of a multi-prong approach to improve housing conditions for the poor. It more effectively fights poverty when implemented gradually in tandem with basic services such as water and sanitation.

- Efforts to improve tenure security should prioritize the most vulnerable populations—the urban poor, women and children, and those affected by disasters.
- Education, advocacy and awareness of individual rights are key to improving tenure security for the poor, especially for these populations most at risk.

National and local laws that create a framework for granting tenure security, including an accessible, transparent and accountable land administration system to combat corruption and inefficiency in government, are vital to increasing tenure security. Tenure security also is important to rehabilitation and reconstruction after a disaster and should be a top priority in disaster response.

Habitat for Humanity urges the U.S. government to help ensure tenure security for people around the world by:

Increasing awareness in the U.S. Congress of the urgent need for tenure security, which could include:

- Holding House and Senate hearings with panels of experts on tenure security, with a specific focus on urban areas and slums, to increase awareness of members of Congress and to highlight ways the U.S. Congress can address this issue.
- Creating a congressional commission to research tenure security, and make recommendations on how Congress can and should address the issue.
- Passing a resolution affirming the importance of tenure security in countries around the world.
- Passing authorizing language to focus on the issue of tenure security within U.S. foreign assistance programs.

Increasing focus within U.S. foreign assistance on tenure security, which could include:

- Increasing staff at the U.S. Agency for International Development (USAID), the State Department, and the Millennium Challenge Corporation who are dedicated to the issue of secure tenure, with a specific focus on land, housing and slums.
- Increasing the capacity of the Urban Programs office at USAID.
- Creating or designating a high-level position to coordinate issues within and across agencies relating to tenure security.
- Allowing local NGOs working on tenure security to design and implement innovative approaches.
- Creating an index to measure national housing policies in an effort to create an incentive and framework for improved housing policies.
- Developing an annual report to document the U.S. government's progress on addressing tenure security.
- Allowing for flexibility in programming that recognizes the importance of secure tenure and how it can directly impact other development efforts such as health and education programs.

Increasing diplomatic pressure on other countries to address the issue of tenure security, which could include:

- Using the U.S. government's leverage with national governments to promote tenure security as a crucial ingredient for good governance and democratic practices, to improve protection for residents of their countries against forced eviction, and to put clear systems and processes in place.

Until the issue of secure tenure is successfully addressed, millions around the world will continue to be displaced, unable to secure adequate shelter or claim land and housing that is rightfully theirs. Breaking the cycle of poverty can be done. Strengthening tenure security is an enormous step in the right direction.



Chapter 1: Introduction



Decent housing matters

Access to safe, decent shelter is one of the most basic human needs. Improving such access creates an important doorway to alleviating poverty.

The U.N.'s Millennium Development Goals underline that importance by addressing water, sanitation and slum improvement in working toward a better life for the poor.¹ Furthermore, secure, affordable housing both influences and reflects a society's overall well-being and is a prerequisite to political stability and the development of a strong civil society.²

Despite what is known about the importance of adequate housing, soaring urban populations and deepening rural poverty have contributed to a worldwide shelter crisis for the poor. Even as income levels in some developing countries have risen in recent years, housing for the poor has gotten worse. Slums and squatter settlements are growing daily in urban areas, sprawling farther and farther from city centers as land prices continue to rise. The price of even the cheapest home in the formal sector excludes the majority of residents in many cities. These residents are forced to build, buy or rent in informal (or "squatter") settlements, where housing is neither restricted nor protected by laws and regulations. Such informal settlements now house an estimated 1 billion people.

Conditions in informal settlements vary. Older, established settlements may be home to middle-class families living in well-built houses. Other settlements are huts and shacks built of scrap material, offering no sanitation or clean drinking water. In some countries, laws prevent local governments from delivering services to communities without formal land and housing titles. Some settlements are built on centrally located, valuable urban real estate, while others occupy flood plains, cliff sides or garbage dumps.

Residents of informal settlements do share one common trait: not one of them has a formal, legally recognized right to live where he or she is, in fact, living. For some, this means the constant fear of forced eviction. For others, it means the inability to establish a secure home-based business or to use their housing rights as collateral for a loan.

Tenure security can break the cycle

Insecure tenure often lies at the heart of poverty housing, depriving residents of even the most basic physical, economic and psychological security that comes with adequate shelter.³ Indeed, experience shows that strengthening tenure security can be an important tool for breaking the cycle of poverty.⁴

For this reason, Habitat for Humanity has chosen tenure security as the topic for this year's annual housing report. Through its role developing housing with low-income partners around the world, Habitat has experienced first-hand the importance of tenure security and the cost of its absence.⁵

We offer this report not as a comprehensive resource on tenure security, but rather as an introduction to the most pressing issues related to tenure security in the parts of the world where we work. Our goals are to increase awareness about the unfair housing practices in developing countries and to present a case for raising the priority of improved tenure security as a way

to alleviate poverty. This report focuses primarily on tenure security in developing countries and is devoted, in large part, to tackling the problem in urban areas due to the pronounced growth of slums and the heightened demand for urban land.

Finally, in this report, we do not address in detail the systems causing underlying disparities in land and housing ownership, nor the complex factors that drive low- (and often middle-) income people into informal settlements in the first place. Tenure insecurity is often a reflection of deep-rooted problems, including gross income inequity and socio-economic and political imbalances. While we understand that improving tenure security will not, in itself, solve these underlying problems, we believe that a carefully implemented, pro-poor tenure security campaign can and will make significant inroads.

In focusing this report on current tenure conditions and possible channels for improvement, we recognize tenure security is not an end in itself, but rather a means to improve housing conditions for the poor.

Global overview: Tenure around the world

Tenure arrangements for housing vary around the world. In highly urbanized Asia, the growth of informal settlements drives the need for improved tenure security. These settlements house upward of 70 percent of the population in many urban centers. While many of the poor people living in the informal sector own their houses, an estimated one-third of all urban residents rent, mostly in the informal sector.⁶ Small-scale landlords in the informal sector are increasingly important providers of housing for the poor. In some countries, like China and Vietnam, the state still technically owns and controls land for housing, although individual rights to housing have grown in recent years.

Table 1: Comparative Urbanization Rates⁷

	Estimates and projections				Rate of change in % of increasing urbanization by year of each decade.		
	2000	2010	2020	2030	2000-2010	2010-2020	2020-2030
World	2,844,802	3,474,571	4,177,106	4,912,553	2.0	1.8	1.6
Africa	294,392	407,900	556,191	742,188	3.3	3.1	2.9
Asia	1,363,035	1,755,006	2,191,963	2,636,623	2.5	2.2	1.9
Europe	522,108	528,889	537,145	546,462	0.1	0.2	0.2
Latin America and the Caribbean	394,212	473,561	546,342	608,968	1.8	1.4	1.1
North America	249,242	284,289	317,346	346,918	1.3	1.1	0.9
Oceania	21,813	24,925	28,119	31,394	1.3	1.2	1.1

In Latin America and the Caribbean, more than 60 percent of all urban residents lack tenure security. The percentage of poor people who rent housing is generally lower than in other areas of the world since even some of the poorest households have built their own makeshift houses in the informal sector. However, as urban land supplies for housing dwindle, more and more poor people are likely to turn to renting.

In Africa, many poor people are landless rural laborers who often own no house of their own, while the urban poor live as squatters or renters in informal settlements. Tenure systems are often based on customary laws and practices, which vary between and within countries. Between 90 and 98 percent of residential land in Africa lacks formal tenure, the World Bank estimates.⁸ More than 40 percent of the population in most of Africa's urban centers rent, and renters are often among the most poor. Shared housing is a common tenure form in some countries, such as Ghana. In North Africa and the Middle East, the state owns much of the urban land available for housing and imposes strict regulations on use of privately held lands.⁹ In Egypt and Algeria, the state also owns the majority of the urban housing stock.¹⁰



In Eastern Europe and the former Soviet Union, housing and land rights in many countries transferred over the past two decades from state ownership and control to individual ownership rights and allocation based on the market. Public rental housing, once common throughout Eastern and Central Europe, now comprises at most 10 percent of the housing market in the region.¹¹ While this transition to private ownership and a market economy for housing has benefited some, it has removed an important safety net for the poor and other vulnerable groups.

In Western Europe and North America, tenure regimes are mixed and even the poor generally enjoy a high degree of tenure security relative to that found in the developing world. However, soaring housing costs and shrinking rental options have displaced many poor people from urban housing due to economic considerations.