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**THEORETICAL CONSIDERATIONS IN URBAN
LOW-INCOME HOUSING PROVISION IN THE 90s**

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THEORETICAL CONSIDERATIONS IN URBAN LOW-INCOME HOUSING PROVISION IN THE 90s

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INTRODUCTION

The suffocating problem of urban housing faced by most countries today, especially those from the developing world, is likely to worsen in the future. Increasing population, unencumbered urbanisation, uncontrolled rural-urban migration (Smith, 1972) and unrealistic development standards (Ramachandran, 1972; McGee, 1979) will ensure the continuation and exarcebation of this demand for urban shelter. Characteristically, this problem has provoked different responses from housing academics. Peattie (1979) rose to the challenge by validly questioning or attempting to explain why such a problem exists. McGee (1979), on the other hand, denies the existence entirely and says, as does Ramachandran (1972), that the problem is there because of the application of some unacceptable world standards. On a completely opposite stance, Angel and Benjamin (1976) not only accept the existence of the problem but argue pessimistically that it can never be solved. Nevertheless, hypothetical or otherwise, this problem has generally elicited direct government intervention in the urban housing market, both in the form of the provider-based and support-based approaches, the results of which have incited more questions than answers (Sanoff, 1990). Burns and Grebler (1977) and the UNDP (1991) hinted that the provider-based response (Tipple, 1994) accounts for at least 20 percent of the total investment of a typical developing country, which can be equivalent to as much as 5 percent of its Gross Domestic Product. Despite such direct intervention involving enormous capital expenditure, the housing problem is little nearer to being solved. In simple market jargon, this failure is alluded to as the inability of the housing supply side of the housing market to meet the ever increasing housing demand. In political discourse, the failure and the huge amount invested insinuate not only the hidden expenditure objectives, but also the hypocritical desire to be seen to be doing something.

The apparent failure of this provider-based approach in all its various forms has actuated a number of responses and alternatives, including the World Bank's so-called enabling strategy (1993). Obviously, this change in tactic as applied to housing has its determinants in the failure of the Redistribution with Growth strategy of the late 60's and early 70's (Chenery, 1974) as well as the debacle of the structural adjustments a decade later. On a wider perspective, such a change can also be adduced to the

emergence of Reaganism and Thatcherism in the 80's, an association that will of course draw flak from the liberal thinkers in housing studies.

What this is likely to mean is that, like its previous predecessors, this approach will soon be hijacked and become a central unifying subject by those with opposing political stances along the lines of the great Turner-Burgess housing debate (Turner, 1976, 1978; Burgess, 1977, 1978). While a healthy debate is always to be applauded, the danger lies wherein proponents are inspired by politically filled emotions which in the end obscure life's realities and lead us to believe in the absolutes of all human endeavours and the denial that certain things do fall within grey areas. Each school of thought in the Turner-Burgess debate, for example, has its own advantages and disadvantages, but as far as the homeless are concerned, it is the effectiveness of each to put up decent and affordable urban housing on the ground that matters, not the colour of the political complexions that each adorns. The successful implementation of their strengths on the ground, to all intent and purposes, will obviously depend on the character and will of their implementers as well as the political economy¹ within which they operate. To claim, therefore, that one school of thought is superior than another is like saying an apple is better than an orange, or vice versa, for a starving person.

Contextualizing The Problem

This paper accedes to the failure of housing supply to satisfy the overwhelming housing demand as the major cause of the urban housing problem. That this failure is apparent in both the centrally-controlled as well as the so-called free-market economies brings to the fore the futility of clutching onto one and jettisoning the other. The fact that a segment of the poor will always require assistance in acquiring basic urban shelter only confirms the need for state intervention. At the same time, the glaring failure of intervention, not only in assisting those it is meant to help, but more importantly, in putting a damper on the overall housing market and the wider economy, points to the need also to leave the market largely free of unnecessary interference. These apparently contradictory demands, therefore, require a position that recognises the importance played by both a free market and state intervention. In other words, a mixture of both is needed, but how much of each will depend on the economic system under study. In a centrally planned economic system, there obviously exists the need

¹ Political economy, as it is understood in this paper, recognizes non-economic (interdisciplinary) matters as relevant, retains a sense of history in explanations of economics, and uses appropriate techniques in solving real world problems. While accepting that the housing situation in a country reflects the structural conditions in the society, the reality of housing practice also depends upon contingent conditions, in the expression of policy, the characteristics of housing markets, the essentials of housing finance and the cultural conditions under which the state operates (Pugh, 1986; 1990). See also Rakodi (1992: 34).