

Paper to be presented at the Urban Research Symposium 2003

Title of paper

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Date

Please indicate the topic(s) and theme(s) which your proposal addresses (check all that apply):

<u>Topic</u>	<u>Theme</u>
<input type="checkbox"/> Strengthening the sources of (and reducing barriers to) urban incomes and livelihoods	<input type="checkbox"/> Urban economic growth and poverty reduction
<input type="checkbox"/> Enhancing welfare through human and social development, safety and security	<input type="checkbox"/> Information and planning
<input checked="" type="checkbox"/> Housing and urban services	<input type="checkbox"/> Governance
<input type="checkbox"/> Land access and land use	<input type="checkbox"/> Financing

Abstract:

ROOM FOR MANEOUVRE – TENURE AND THE POOR IN URBAN INDIA

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Abstract submitted for the Urban Research Symposium 2003 under the Topic 3 – Housing and urban services..

Cities in poorer countries are home to a heterogeneous mix of tenures: owners, landlords, tenants and sharers jostle for residential accommodation in pursuit of urban livelihoods and social well-being. Although academic interest in housing tenure has grown since the 1980s, more is known about the reasons why households become tenants in comparison to why they become landlords. However, an interest in tenure is absent from housing planners and policy makers. National housing policies that show little sign of deviating from their primary objective – the conferring of ownership rights. Policies are superimposed on a varied residential mosaic in stark contrast to the ways in which different tenures impact upon changing individual and household socio-economic needs and priorities. In short, a uni-dimensional policy response to the multi-dimensional nature of urban poverty resulting in a mismatch between policy and lived reality. The few attempts to encourage rental housing have been indirect. In the 1970s and 1980s, for example, World Bank and USAID funded sites-and-services projects in Asian and African cities encouraged allottees to build rooms for rent to ease the burden of loan repayments. Such attempts were reluctantly accepted by national governments who were yet to be convinced of the concept of 'incremental housing'. Completed housing units was what counted, evidenced by the fact that a key condition of allotment was that the beneficiary construct a dwelling of a certain size and quality within a specified time frame. This was justified on the grounds that those who did not do so were speculators.

Rental housing has both opponents and proponents with their stances influenced by the comparative perception of tenants and landlords. By and large, opponents consider tenants to be disenfranchised individuals and households whose social and economic mobility is

hampered by their tenure. Landlords are viewed as exploitative accumulators of capital, in the form of landed property. Proponents, are generally in support of greater tenure choice but have had little impact on housing policy. These stances raise two issues that need resolving. The first relates to landlords. The view that landlords are by definition exploitative accumulators of capital is far removed from reality - research indicates that a large proportion of landlords are as poor or even poorer than their tenants. The production and provision of urban rental accommodation is primarily undertaken by individuals and households with large-scale landlordism an exception. Landlords are often fearful of disclosing that they are involved in the letting of accommodation for a number of reasons. This pushes rental housing markets underground and increases the vulnerability of tenants and landlords alike. Notions of exploitation also implicitly equate rental housing with poor quality. While some rental housing may be of poor quality, it is important to question why this is so. Is it primarily the result of exploitative landlordism? Or, does it reflect a combination of unsympathetic urban regulations and the specificity of local demand. Clearly, an understanding of the dynamics of how rental housing markets operate and the role they play as productive catalysts is needed. The second relates to policy. Why does support for rental housing and its inclusion in the housing policies of national governments remains rhetorical? Is it primarily due to the politicisation of rental housing - namely, a fear by government that support for rental housing would be construed as siding with the owners of private property. Or is it related to a lack of understanding of the complexity that underpins the production of rental accommodation. The broader issue is to find ways of getting tenure onto the policy agenda of national and local governments.

Pitting landlord against tenant is unproductive. A more constructive approach is to examine the role that rental housing plays in the livelihood responses and strategies of tenants as well as landlords. This study, undertaken with funding from the Infrastructure and Urban Development Department of the UK Department for International Development, does this by examining the operation of low-income private rental housing markets in two Indian cities - Bangalore (capital of Karnataka state) and Surat (the second largest city in the state of Gujarat) - with an emphasis on landlords. The premise of the research is that the traditional tenure classification of ownership and renting is limited to the final product - the dwelling - and does not encompass the social processes embedded in the interconnected relationships between the tenures and the agents and institutions which delineate frameworks of production and consumption. It argues that the private rented sector is embedded in factors exogenous to it (the local economy, politics, land and finance systems and varied social networks) as well as those that are endogenous to landlords and tenants. It also emphasises that rental housing acts as a 'hub' for a number of cross cutting social themes: migration, changes in individual and household life courses, changes in employment patterns and opportunities, gender, age, intra- and inter- generational transfers and social networks.

Five key findings emerged from the study. First, rental housing is integral to well functioning cities and should be encouraged. Second, rental housing (both the ability of landlords to let rooms as well as for tenants to rent rooms) is an important part of the portfolio of individual and household livelihood responses. Third, rental housing markets are intricately linked to the local economic and political context - more attention needs to be paid to this relationship. Fourth, rental housing markets are selective and has thus given rise to a range of alternative sub-markets to cater to the diversity of need. Fifth, rental housing markets are shrouded by insecurity, often as a result of government policy and thus there is a need for greater transparency on the part of government in relation to tenure.