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# **Sustainable Development of Urban Informal Settlements in Pakistan**

**Case of Economic Activities within the Informal Settlements**

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**2006**

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**Ph.D.**

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**... for my ever loved Parents**

## **Acknowledgements**

This research has helped me not only to understand an important facet of my own society, but groomed me to tackle issues relating to sustainable development. I came across many people in attaining this level, some of whom need mention and expressions of my gratitude, for without them this research would never have been possible.

Firstly my tutor at Welsh School of Architecture, Cardiff University Professor Phil Jones, throughout the course of study he gave me his utmost support and groomed me to become what I am today. Professor Jones not only guided me in professional matters, but through him I learnt important lessons in life too. I find myself not only fortunate but honoured to have such a dedicated teacher and shall cherish his teachings my entire life. I take this opportunity to thank him for his belief in me and the support that he provided to me.

Two very important people in my life are my parents; they have stood by me through thick and thin since my childhood, but during this research they extended an even higher degree of support. They faced the ridicule of their entire social circle on my behalf and still put up a brave face in front of me. My loving parents gave up hope not once; they were pillars of strength for me during the entire phase of my study. Both my parents sacrificed their personal lives and leisure for my future and no matter how I try I can never thank them enough for their efforts.

Apart from my parents, there are two other people who need mentioning: Professor Arif Hasan and Mrs. Hasan. They have been surrogate parents to me. Without Professor Hasan's support and guidance, the Pakistan part of research would not have been possible. The truth is that without him this research would not have been a possibility. Mrs Hasan , on the other hand, has always been a mother figure to me. Her concern

about my well being has always touched me. She has guided and comforted me during rough times, and as yet I find great moral support when talking to her.

Mrs. Vivian Fisher and the staff at Aberdare Hall also need to be mentioned. Mrs. Fisher always treated me like a daughter and was there whenever I was in distress or needed to talk to someone. She helped me to find confidence, for even today I recall coming to United Kingdom as a meek and scared girl. It was Mrs Fisher's guidance and support that helped me to find myself.

My sister, who has been my only family member in the United Kingdom, took time to put a smile on my face. Although busy as a medic, she still gave me moral support by her kind nature. I also found another sister in Cardiff: Carolyn Davis, herself a researcher and prolific writer, stood by me when I was sulking. She cheered me up, took me out for dinners and always helped me to stand up when I thought I had lost the battle. She helped me in my personal and professional life, and has been responsible for the proofreading of this work. I extend special thanks to her because while doing my proofreading, she herself was submitting her research work. Carolyn is one of my dearest and most trusted friends; for this I thank Cardiff University and in particular my hall of residence.

Cardiff University has been my home for a major part of my life and during this time I came across lots of friends. They all taught me a lot about life and at times when I made mistakes but they stood by me steadfastly. It is difficult to mention all the names, but I sincerely thank all the people who helped me during the research: my tutors, teachers and the staff at the Welsh School of Architecture, Cardiff University, employees of the Government of Pakistan, the residents of informal settlements, as well as the staff of non-government organisations. Finally, my thanks to all the friends I made from all over the world during my stay in Cardiff.

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## **Abstract**

The housing scene in Pakistan during past few decades has become dominated by informal settlements. A lack of low income housing gave birth to the illegal settlements all over Pakistan comprising mostly low income households. Karachi in the past has faced high migration rates due political and economic turmoils both national and international. Apart from housing, informal settlements have small manufacturing units, retail and service industries. Over the years residents of informal settlements have started to upgrade and improve their surrounding environment with approval from government in most cases. The residents are expected to fund their own development schemes, hence the existence of economic enterprises within informal settlements and their contribution towards a lasting sustainable environment is the context of this research. The aim, therefore, is to ‘investigate relationships between economic activities within informal settlements in urban areas of Pakistan and their links with the sustainable development process’.

An extensive literature review was carried out and three conceptual case studies discussed with emphasis on current development planning. From the literature review it was found that legal backing is a key component for sustainable development processes. Main case studies from two cities: Karachi and Faisalabad were conducted. The data from the two sets was analysed and a visible link between economic enterprises and development initiatives was found. A detailed analysis of various stakeholders was also carried out to understand the capacity and capability of each one in terms of sustainable development initiatives.

This research concludes that economic activities taking place within informal settlements are vital for the environmental development and ultimately sustainable development of the informal settlements. Recommendations following this outcome have been proposed for future sustainable plans.

The use of this research can be extended towards developing and formulating new housing policies for other urban areas of Pakistan and for areas that have been destroyed by natural calamities. The incorporation of economic activities and livelihood opportunities within housing settlements would help in raising the affected communities from poverty.

## *Chapter 1*

# **Informal Settlements in Development Perspective**

### **1.1 Introduction**

*... if Poverty is to be overcome what may now be important is to understand the process of poverty creation and to identify the points of intervention in the process through which the poor can be enabled to break out of the nexus of poverty on a sustainable basis.<sup>1</sup>*

Pakistan comes within the group of developing countries where the majority of its population lives under the poverty line. Since its formation in 1947, it has been through one period of turmoil after another. Unstable political conditions made it impossible to define a workable long term development policy for the country. The influx of immigrants was another issue that the newly created state had to come to terms with. Immediately after partition, Karachi, the capital of the state at that time, grew from a population of 400,000 to 1,000,000 (Table 1.1 and 1.2). This not only put a strain on the government but also on the physical infrastructure. An acute shortage of housing was created, and the government was forced to allow squatter settlements within and around the city. This situation not only became a reality but a

bitter one as well, because a large number of people who are poor in the urban area continue to live in these informal settlements.

Year	Population	Increase/Decrease Over Last Census / Survey	No. of Years in Between	Per cent Increase/Decrease	Average Annual Growth Rate
1941	435,887	135,108	10	44.90	3.70
1951	1,137,667	701,780	10	161.00	11.50
1961	2,044,044	906,377	10	79.70	6.05
1972	3,606,746	1,562,702	11	76.50	5.00
1981	5,437,984	1,831,238	9	50.80	4.96
1998	9,802,134	4,540,422	17	86.29	3.52

Table 1.1 Population of Karachi - Source: Government of Pakistan Census Reports.

Year	Population (in '000)			Proportion		Annual Growth Rate		
	Total	Rural	Urban	Rural	Urban	Total	Rural	Urban
1901	16,577	14,958	1,619	90.2	9.8	-	-	-
1911	18,805	17,116	1,689	91.0	9.0	1.27	1.36	0.42
1921	20,243	18,184	2,058	89.8	10.2	0.74	0.61	2.00
1931	22,640	19,871	2,769	87.8	12.2	1.13	0.89	3.01
1941	28,244	24,229	4,015	85.8	14.2	2.24	2.00	3.79
1951	33,740	27,721	6,019	82.2	17.8	1.79	1.36	4.13
1961	42,880	33,240	9,640	77.5	22.5	2.43	1.80	4.84
1971	65,309	48,715	16,594	74.6	25.4	3.67	3.33	4.76
1981	84,253	61,270	23,583	71.7	28.3	3.10	2.58	4.38
1998	130,580	87,544	43,036	68.5	32.5	2.61	2.2	3.5

Table 1.2 Population of Pakistan (Source: Urban Resource Centre Karachi Website)



Over the years, with a desire to improve their standard of living, Karachi in particular, and other parts of urban Pakistan in general have attracted rural population in search of a better living, for socio-economic reasons. The situation has been further aggravated by fragmentation of land and the lack of remunerative employment on agricultural land which has driven a large part of the agricultural workforce to seek work in urban areas. Later, developments in industries around the urban areas and better income prospects have encouraged continuous migration from the rural parts. Currently, Pakistan is facing severe unemployment and under-employment leading to a poverty crisis. Estimates suggest that, since 1987 poverty has increased from 18% to 34% of the total population.<sup>1</sup>

Sustainable Development nowadays has become synonymous with an upgrading of the environment, however the human factor must be considered as well. In the case of Pakistan (like most developing countries) housing demand exceeds the supply by far. Government over the years has not been able to cope with the growing population.

The constitution<sup>2</sup> of the country outlines that Pakistan is a welfare state —

***Article 18: Freedom of trade; business or profession.*** –  
*Subject to such qualifications, if any as may be prescribed by law, every citizen shall have the right to enter upon any lawful profession or occupation, and to conduct any lawful trade or business.*<sup>2</sup>

***Article 38: Promotion of social and economic well-being of the people:*** - *The State shall*  
*(a) secure the well being of the people, irrespective of sex, caste, creed or race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable rights between employers and employees, and landlords and tenants;*

*(b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure;*

*(d) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment.*

The above articles are not binding for government to provide housing for its citizens, and they clearly state that government would only undertake the provision if it has sufficient resources. But this condition has never been fulfilled and thus people have made their own effort in tackling the issue. The process of development therefore has shifted into the hands of the public and an 'informal sector' emerged. The extent of the problem can be understood from the fact that at present 40-60% of Karachi's total population is residing in informal housing.

Cities basically are a conglomeration of settlements and for a city to be sustainable, individual settlements need to be self-sustained. This can be stated for settlements which usually are the production hubs. Each settlement caters to three types of enterprises – services, retail and manufacturing. In developing countries when one speaks of issues of sustainable development, the settlements and their economic development become inseparable.



**Figure 1.1** Yarn making within domestic space.

The enterprises working in the context of an informal settlement usually are of a small nature and help in generating additional (at times only) household income and employment opportunities within the community (Fig. 1.1). The location of these enterprises help people become independent of increasing transport charges from commuting distances. Some of these enterprises are engaged in producing cheaper alternatives of daily necessities such as food products and service industries. Also of vital importance is the fact that part of this work force comprises women. Under the given circumstances, they, in the absence of domestic working environment within the proximity of their dwellings, would not have a chance to be viable productive members of society.



**Figure 1.2 Embroidery - most common type of work for women in informal settlements**

### **1.2 Settlements and City**

The informal settlements form the lowest tier of production in the urban area, not only in terms of services but also for consumable and retail goods. In terms of services most of the labour force resides in these localities, they work in industries such as construction and industrial. Also, domestic staff which caters to high and middle income strata of society, resides there. Transport operators also form a sizable portion of the population. It is estimated that more than 60% of the transport-related work force in Karachi live in these areas. To a certain extent lower-level government employees form part of the social matrix too. Food vendors (visible outside commercial shopping areas, government and private offices) have their residences with their production facilities within these informal settlements.

Apart from the services sector, the majority of households in the informal settlements are involved in production related jobs. These production units comprise automobile / mechanical spare parts units, textile weaving, garment manufacture, embroidery (fig. 1.2), wood work, carpet manufacturing, pottery, jewellery (costume and ethnic), construction material, small production units (Fig. 1.4) and waste collection (for recycling industry Fig. 1.3).





**Figure 1.3** Garbage picking yard within a settlement.



**Figure 1.4** Glove making.





**Figure 1.5 Flour mill.**

The scale of industry varies within the informal settlement ranging from capital investments of Rs.5,000 to Rs.200,000. Goods and products produced by the people are sold in the city. The market value of these goods in major commercial centres is much higher but due to the informal nature of these production units the craftsman and worker do not benefit from the justified share of the profit. Often a middle person provides the raw materials; they work on the raw material and hand over the finished products to the same middle person for a profit.

The lack of legal status of these industries within informal settlement makes them easy targets for exploitation and corrupt practices. Locals, due to fear of harassment do not disclose their economic activities and thus are unable to gain access to local and international markets or expand their businesses. The result of all this befalls on the environment, as at present, in accordance to law, economic activities within informal settlements are considered to be illegal. With the formal acceptance of these economic activities, environmental development can be achieved as the additional income could be channelled for area development and reliance on international aid and loans would be minimized. People's quality of life can be improved in the process.

*... overcoming poverty is not simply a question of allocating more public funds, nor addressing their vulnerability through 'risk management' or providing micro credit in a fragmented way, nor even of correcting 'market distortions' associated with macroeconomic policy. Overcoming poverty means empowering the poor to acquire greater control over their use of productive resources including their own labour, and keeping their incomes and savings in their own hand.<sup>1</sup>*

### **1.3 Definition of Sustainable Development**

“Sustainable Development” in recent time has become an *ethical concept*<sup>3</sup> for both developed and developing countries. Sustainable development pertains to three key factors of human life – environment, economic and social. All three are intertwined in an individual’s life; social needs, which in turn need be satisfied via economic mode which in turn are linked with the spatial domain of a person’s “environment,” which can only prosper if funded by adequate economic setting and proper social interrelations.

*... all definitions acknowledge the links between environment and development, many fail to give adequate importance to the socio-economic objectives of community development and poverty alleviation in the developing world.<sup>3</sup>*

Sustainable development has been a concern to countries since the early 1970s. It encompasses a wide range of endeavours ranging from bio-diversity ecology, man-made environment to economics. To understand this ideology, it has been widely discussed. People and commissions have attempted to form consensus on its definition. Some of these suggestions are as follows, but before that the dictionary meaning of the words ‘sustainable,’ ‘development,’ ‘informal’ and ‘settlements.’

**Sustainable:**

1. Capable of being borne or endured; supportable, bearable.
2. Capable of being upheld or defended; maintainable.
3. Of, relating to, or designating forms of human economic activity and culture that do not lead to environmental degradation, esp. avoiding the long-term depletion of natural resources.

**Development:**

1. Gradual advancement through progressive stages, growth from within.
2. The bringing out of the latent capabilities (of anything); the fuller expansion (of any principle or activity).
3. The economic advancement of a region or people, especially one currently under-developed.

**Informal:**

Not done or made according to a recognized or prescribed form; not observing forms; not according to order; irregular; unofficial, disorderly.

**Settlement:**

An assemblage of persons settled in a locality

Following are some delimitations and ideas related to sustainability.

Robert Allen<sup>3</sup> cited Sustainable development as —

*Development that is likely to achieve lasting satisfaction of human needs and improvement of the quality of life.*<sup>3</sup>

To analyse Sustainable Development in the last line as being related to ‘satisfaction of human needs’ and ‘improvement of life’ this seems to be a much generalized definition as neither the nature nor its acquisition process has been mentioned. Quality of Life is a relative scale, since it varies from nation to nation and at micro level from city to city.

Edward B. Barbier<sup>3</sup>, an academic economist, has further elaborated this aspect by confining sustainable development in terms of economics —



*...the concept of sustainable economic development as applied to Third World...is therefore directly concerned with increasing the material standard of living of the poor at the 'grassroots' level, which can be quantitatively measured in terms of increased food, real income, educational services, health-care, sanitation and water supply, emergency stock of food and cash, etc. and only indirectly concerned with economic growth at the aggregate, commonly national level. In general terms, the primary objective is reducing the absolute poverty of the world's poor through providing lasting and secure livelihoods that minimize resource depletion, environmental degradation, cultural disruption and social instability.*<sup>3</sup>

Poverty thus has been noted as a major reason for non-achievement of sustainability. Its elimination is of primary concern and significance. A practical aspect has been included in the approach, that is, the definition talks about 'reducing poverty' and not eradicating it. A visible distinction between growth and development has been made by Herman E. Daly<sup>3</sup> an academic economist —

*... by growth I mean quantitative increase in the scale of the physical dimensions of the economy; ... by 'development' I mean the qualitative improvement in the structure, design and composition of physical stocks and flows, that result from greater knowledge, both of technique and of purpose.*<sup>3</sup>

A more comprehensive definition of sustainable development has been provided by Goodland and Ledec<sup>3</sup> —

*Sustainable Development is here defined as a pattern of social and structural economic transformations (i.e. 'development') which optimizes the economic and*

*social benefits available in the present, without jeopardizing the likely potential for similar benefits in the future. A primary goal of the sustainable development is to achieve a reasonable (however defined) and equitably distributed level of economic well-being that can be perpetuated continually for many human generations.*<sup>3</sup>

Here they have formed a link between economic and social benefits and given conditions to follow them as well as an insight into the future of such procedures. They are talking about 'optimization' and not the growth of economic conditions, for that they also make clear that the benefits should not adversely harm future generations.

Timothy O'Riordan<sup>3</sup>, while coining a definition also talks about the dilemma it faces which to a certain extent holds true in current circumstances.

*It may only be a matter of time before the metaphor of sustainability becomes so abused as to be meaningless, certainly as a device to straddle the ideological conflicts that pervade contemporary environmentalism.*<sup>3</sup>

Pearce, Barbier and Markandya<sup>3</sup>, further illustrate the key notions important for development and its enhancement into sustainable development:

*We take development to be a vector of desirable social objectives, and elements might include:*

- *Increase in real income per capita*
- *Improvements in health and nutritional status*
- *Educational achievement*
- *Access to resources*
- *A 'fairer' distribution of income*
- *Increases in basic freedoms*

*... Sustainable development is then the situation in which the development vector increases monotonically over time.*<sup>3</sup>

Their definition illustrates that sustainability is a virtue associated with increase in economic, social and environmental objectives. Without any of the above the development would cease to be sustainable. Further elaboration of the nature of development is provided by Nicholas Ridley<sup>3</sup>, former British Secretary of State for Trade and Industry, Former Secretary of State for Environment:

*Over the last decade or so international attention has increasingly become focused on the problem of ensuring that modern development on this planet takes place at a pace which the earth's environment can sustain. ...economic growth is a necessary precondition for environmental improvement but it is possible and necessary to plan for economic growth which is environmentally sustainable.*<sup>3</sup>

The former British Prime Minister Margaret Thatcher<sup>3</sup> on the other hand has openly expressed her views on both economics and environment in her comments:

*... the health of the economy and the health of our environment are totally dependent upon each other. The [British] Government espouses the concept of sustainable economic development. Stable prosperity can be achieved throughout the world provided the environment is nurtured and safeguarded.*<sup>3</sup>

Brundtland Report<sup>3</sup> defined sustainable development in terms of need and limitation which explains the current situation of developing countries,

*...the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by*

*the state of technology and social organization on the environment's ability to meet present and future needs.*<sup>3</sup>

Similarly, the World Bank has again identified issues that need to be tackled in order to initiate the idea of sustainable growth, '*... satisfy the multiple criteria of sustainable growth, poverty alleviation and sound environmental management.*'<sup>3</sup>

A more comprehensive definition which encompasses the meaning and procedure of the term sustainable development is by Tolba<sup>3</sup>, former Executive Director United Nations Environmental Program;

*Sustainable development has become an article of faith, a shibboleth: often used but little explained. Does it amount to a strategy? Does it apply only to renewable resources? What does the term actually mean? In broad terms the concept of sustainable development encompasses:*

1. *help for the very poor because they are left with no option other than to destroy their environment;*
2. *the idea of self-reliant development, within natural resource constraints;*
3. *the idea of cost effective development using different economic criteria to the traditional approach; that is to say development should not degrade environmental quality, nor should it reduce productivity in the long run;*
4. *the great issues of health control, appropriate technologies, food self-reliance, clean water and shelter for all;*
5. *the notion that people –centred initiatives are needed; human beings, in other words, are the resources in the concept.*<sup>3</sup>

In the Brundtland Commission 1987 (The World Commission on Environment and Development) development was defined as that which, *'meets the needs of the present without compromising the ability of future generation to meet their own needs.'*<sup>3</sup>

Also,

*... inequality is the planet's main environmental problem; it is also the main development problem.*<sup>3</sup>

The commission also devised a list of prerequisites for sustainable development:

*...a participatory political system, an economic system that can ensure growth whilst using appropriate and benign technology, a production system that preserves the ecological base, new benign technology, sustainable and equitable patterns of trade, a reflexive, responsive administrative system and a social system that resolves conflict resulting from disagreements over development. .... they introduced political, economic, social, ecological, technical, international and institutional aspects to sustainable development.*<sup>3</sup>

*Choguill (1993)*<sup>3</sup>, cited four criteria for policies to achieve sustainable development, they included: constrained use of non-renewable resources, affordability, use of appropriate technology and finally the development must be people-centred.

*Rezende (1993)*<sup>3</sup>, further added to this list the political sustainability. Harody, Mitlin and Satterthwaite (1992)<sup>3</sup> however felt that the economic element has been omitted from the discussion of sustainable development.

Editors of *Environment and Urbanization (1992)*<sup>3</sup> separated the words sustainable and development, where sustainable refers to *ecological aspects* and development to meeting *human needs such as civil rights, paid employment, health, basic infrastructure etc*<sup>3</sup>.

Over the years the word sustainable development has embraced so many attributes that the very definition has become too general. As it attempts to address issues of the environment in terms of housing infrastructure, transportation, it is dealing with social aspects that include political stability, management, democracy, and civil rights simultaneously. Not only poverty alleviation, but economic growth has come under the ‘sustainable development’ umbrella as well.

This research does not have the capacity to address all the above, for the reason that its main focus is up gradation of environment through strengthening the economic base of informal settlement. The main issues to address therefore are current policies regarding housing, informal housing settlements and the enterprises working within them. Also of vital importance are the questions why these settlements have increased significantly and what actions the government has taken regarding resettlement projects, evictions and up gradation. To analyse whether the growth of these settlements is due to the government’s failure to meet demands, to investigate the importance of economic activities which at present have no backing from the state, and considers these activities are of vital importance in the future development of the settlements.

The research has considered the importance of all three facets of sustainability ‘Environment’, ‘Economics’ and ‘Social’. Stability achieved within all three factors for a given area would yield sustainable development. The present status of informal settlements in urban areas of Pakistan shows a relatively strong social bond between the residents. The research has taken the social aspect as constant and concentrated at the other two variables environment and economics. It is to be shown through this research that environment is a dependent variable of economics in the case of Pakistan’s urban informal settlements.

#### **1.4 Development of Informal Settlements in Karachi<sup>4, 8, 10</sup>**

The government’s failure in the provision of housing to its citizen was the root cause for the formation of informal settlements. A brief historical summary of events is necessary to understand the development of today’s informal settlements. At the

moment 40% of urban population resides in informal settlement. The process started in 1947 at the time of independence; six million people migrated from India to the port city of Karachi. This immigrant population was allowed to occupy available land in the city and thus started the history of squatter settlements in the newly formed state. By 1952 government decided to deal with this huge population and MRV (Merz Rendal Vatten, a Swedish firm) Plan was formulated. This plan had certain assumptions which proved to be otherwise; one of the assumed statistics was that by year 2000 Karachi's population would be three million which was reached by early 1970's.<sup>4</sup> Secondly, the construction of 60,000 housing units was linked to the formation of new administrative centre for which state lacked financial resources. In the end the government took no decision<sup>4</sup>. Also in 1958 Martial Law was imposed and the new head of the state decided to move the capital from Karachi to Islamabad. Funds were mobilised towards the construction and development of this new capital. The decision to shift capital was made, as the President was disturbed by the presence of squatter settlements in the centre. Additionally, a decision was made to industrialise. The establishment of new industries in urban areas (Karachi being the centre of such development) and mechanisation of agriculture brought about even more people from countryside and small cities to Karachi. Informal settlements in terms of both population and landmass increased.

1958 saw another plan named 'Greater Karachi Resettlement Plan' designed by Doxiades Associates. In the plan, two townships 15-20 miles out of Karachi were planned. The plan envisaged the need of economic opportunity for new settlements, and for this purpose industrial areas were developed and incentives awarded to the industries. This programme was stopped because jobs were not created as was proposed; and the reason behind it was industrial development did not take place as envisaged. Due to this reason people did not move into the newly formed settlements. Also the recovery rate from occupied property was low. Apart from this, financial speculation came into play and properties were bought as future investment. The impact of the plan was detrimental to the future consolidation of the Informal Sector. In accordance with the proposed plan, existing settlements were demolished. In the new townships land prices were high and were not within affordable range of the evicted households. These evicted residents from the demolished informal settlements

moved to the periphery of the newly-formed townships as the provision of much needed water and transport was available.

During 1965-1974, the government's proposal for plot townships in Baldia, Orangi and Qasba also did not bring fruitful results. The government had decided to provide amenities to these plot settlements, but people from squatter areas were moved into the area prior to the provision of basic utilities. The government did not invest in the development of amenities; furthermore it was later found that land used for the plan was owned by agriculturalists and disputes over illegal occupation are as yet pending in the courts.

During the 1960s and 70's another plan similar to that of the 1950s was considered in which government was to construct middle-rise-flats. The work was carried out in a small portion of a settlement. It proved to be beyond the affordable limits of the target group and a new income group moved in.

In the 1974-1985 Karachi Master Plan, 'Utility Wall Development' was proposed in Orangi Metro Ville. Under the scheme, open plots with a single wall and utility connections were provided. Again due to high land prices in the vicinity, the target group was completely sidelined and the project had problems of low occupancy.<sup>5</sup>

### **1.5 Common Reasons for Failure of Government Housing Projects**

Land in Karachi is mostly state-owned, but due to the spatial growth of the city and other market forces which are beyond the scope of this paper, it has a propensity for property speculation. Land is one source of investment that is considered to appreciate financially. Thus settlements designed by the government attract large number of speculators and this leads to the non-availability of developed land for lower income groups.

Another common observation is the high cost of the government developed land parcels. On an average, the government-developed small parcels of land would start from Rs.80,000, while a small plot in an informal settlement would cost around Rs.8,000-10,000. It is therefore not feasible financially for people living at the



margin or below poverty line to afford such high prices at a given instance. Their preference is for incremental mode of development which does not put pressure on their daily budget. Incremental development is suitable as the money poured into development work comes from their small enterprises or businesses.

Another observed fact is the nominal representation of urban poor in the framing of national policies. This sets negative attitude from the end users for whom policies are made. Feudalism is still practised though to some extent the actors come from varied field that is agrarian and industrial, thus the policies at times are in favour of ruling section of the society. Discussion of policies brings about the issue that framing of such legal documents need to have a consolidated research backing. In Pakistan there is a dearth of policy related social research which makes the evaluation criteria almost nominal.

All in all it can be suggested through observed facts that to a certain extent government seems to live in fear of people organizing and asserting themselves. There have been varying examples where authorities have used force and to considerable extent the already formulated policies to do away with the settlement which are present.

## **1.6 Informal Sector – People’s Response**

In the beginning the informal sector was the only option available for the immigrant population to have regarding housing. Later it was the only economically viable solution. The conditions in such settlements in their earlier days were deplorable, but with time and technical assistance from philanthropists and non-government organizations, people started to work towards the development of their environment.

### **1.6.1 Land Tenure**

One of the biggest drawbacks of living in an informal settlement is the lack of land tenure. This brings in an element of uncertainty that in turn leads to issues of security. In 1985 the government finally decided to legalize settlements which were created before the cut-off date of March 1985 and which were not on dangerous land.

Although the government gave legal land titles to its residents, the development work at the micro level was to be carried out by the residents through their personal funds.

### **1.6.2 Development<sup>11</sup>**

The acquisition of land rights triggered a pattern of self help development process. Residents of both legalized settlements and those of settlements still attempting to get legal recognition started working towards development issues. Three components were required for this process to flourish: human, technical and financial resources.

Settlements themselves are the hub of human resources and together generate massive pool of labour. As for technical resources and management guidance, local non-government organisations and professionals teamed up to form consultancy groups (these were backed by international and local donor organizations). Funding of development work was carried out at community level. The development occurred on the pattern of incremental system and thus it became viable for community to generate required funds.

This set a structure for a development pattern that has yielded successful results but the question arose how community was able to generate finance. Since money came from individual households, a study of their capabilities to generate revenue would help in future development endeavours.

It seems that there is a huge financial resource pool available that if properly channelled can bring about change which has previously been considered impossible by the Pakistani governments.

To attract funding, one needs to have both security and the opportunity to expand. Only then can resources be diverted to environmental growth. Due to the current legal status of home based enterprises and enterprises located in the informal settlements, they have no legal backing. No financial institutions are willing to support these activities for their lack of collateral and security. These are considered high-risk investments; the main reason is the rate of default. In the event of a default, they cannot fall back on any investment security.

## 1.7 Actors in Development

Regarding people's approaches towards the issue of informal housing, another actor has also surfaced since 1980s - Non government organizations. These have two basic approaches, development and welfare. It is important to note that prior to the 1980s, NGO's development approaches were non-existent. To elaborate on the difference between the working of these two concepts one needs to understand the difference between them:

*...development and welfare approach, as defined by development NGO's, is that while the former deal with the causes of injustice, the latter try to alleviate the consequences of injustice in the society.<sup>6</sup>*

Thus the development NGOs are a helping hand towards the achievement of sustainability and in that perspective need to be considered active players. The main aim behind development via the help of such NGOs is to promote and tap into the local resources. At present the local resource is coming from the people of the settlement. Later in the thesis certain case studies would be discussed which have shown positive outcomes of such resource mobilization.

It is worthwhile to mention the local resources here; as founded by the Aga Khan Foundation (AKF) Philanthropy in Pakistan: A report on the Initiative of Indigenous Philanthropy in Pakistan are to the tune of Rs.70.5 billion or approx £700 million out of which Rs.41 billion comprises cash and goods and the rest as voluntary time - though a majority is directed towards religious endeavours such as mosques and charities. But these can also be resources worth looking into<sup>6</sup>, since Pakistan is an Islamic State and its social structure to a certain extent harbours pro-religious charity. To illustrate, in accordance with the faith, contributions for *zakat* (charity) is compulsory for Muslims. This is 2.5% of the total wealth that an individual holds - banks deduct it at its source once a year - directly from the accounts of the depositors. Of late, because of differences in the philosophy (*fiqah*) and pressure from public, such deductions are made on voluntary basis. Local resources are an important aspect

in achieving sustainability. Two additional sources of support are from the Government and international donor agencies. Let us first take into account the government situation:

*In the period 1980 to 1999, development expenditure fell from 40 percent of total government expenditure in 1980-81 to 13.5 per cent in 1999-2000. The adverse effects of this trend on GDP growth was accentuated by the growing inefficiency of the development expenditure induced by politically motivated projects and wide spread corruption.<sup>1</sup>*

Also another underlining factor is - at present Pakistan's external debt stands at 54% of GDP. Total debts outstanding during 1990-2000 was \$15.45 billion while during the same period amount paid as interest and principal was \$36.611 billion<sup>1</sup>. Thus it can be said that under above mentioned circumstances government may not be the likely candidate to invest in the development of the general masses and in particular informal settlements.

Issue concerning International donors has been explicitly stated by Richard Halloway in his book 'Towards Financial Self Reliance':

- 1. Foreign funding makes you politically vulnerable to accusation that you are only doing the work because you are paid to do so, or because you are obeying the instructions of some foreign power that may have some concealed motives to the detriment of your country. Development is a political process and foreign funding provides ammunition to detractors – especially those in government - that you are being used politically by foreigners.*
- 2. Foreign funding throws into sharp contrast the very basic contradiction that development CSOs promote and urge self-reliance among the groups that they*

*work with, but do not themselves practice what they preach. If self reliance is an important aspect of development, then the development CSOs should pay as much attention to it as the people with whom they work.*<sup>7</sup>

Another issue that pertains to international donors is that some of them have their own directives and follow a universal strategy for projects in developing countries, such as Pakistan. In such cases, local adaptations need to be taken into account but these organizations are stringent about their universal and generalized attitude.

In later part of this chapter it is made clear that making people realize the usefulness of self help. There are examples where such initiatives have brought in marked changes. Sewage, health, education and employment are certain areas where informal settlements have worked hard in achieving a level of self sufficiency. This has been possible through the tapping of local resources, understanding the needs and problems in the settlements and tackling these. This research is targeting the aspect of economic activities within the settlements.

### **1.8 Poverty**

In the discussion of settlements and their economic activities an important aspect that needs attention is poverty. According to statistics available from the United Nations Development Program - Pakistan Report:

*Poverty has increased sharply during the 1990s. In terms of the calorific norm the percentage of population below the poverty line increased from 26.6 per cent in 1992-93 to 32.2 per cent in 1998-99.*<sup>1</sup>

Apart from an increase in poverty, there is income inequality in the distribution of income as well. This helps to prove that unemployment and under-employment are on the rise as well. According to the figures:

*...about 0.5 million persons, which is 40 per cent of all new entrants to the labour force, are added to the ranks of the unemployment every year.<sup>1</sup>*

The UNDP report has quoted an NHDR/PIDE (NHDR is National Human Development Report, PIDE is Pakistan Institute of Development Economics) Report that for a household to be able to rise above the poverty line can be dependent on whether a second earner is present in the family. Over the years the provision of formal jobs has declined. Large scale industrial growth at the moment is around 5.5%; in previous years it had been growing at a rate of 8% average. The employment elasticity of manufacturing output has fallen from 0.17 during the 1980s to minus 0.10 in the 1990's<sup>1</sup>.

Accordingly, the following statement would help clarify the present condition of Pakistan:

*The Government of Pakistan estimates that the extent of underemployment is currently around 20 percent of the labour force, and that as many as 1.3 million persons will enter the job market each year adding to the pool of the unemployment, as at least half of these 'cannot expect to find work at the present rate of labour absorption'. It fears that 'the problem of unemployment may intensify further'. This implies that while six percent of the labour force is officially out of work, the poverty rate of 33 percent, or 45 million people with more than six million heads of households, makes matters worse: despite technically being 'employed', a large number of people are living in severe poverty.<sup>8</sup>*

Answering to the above major issue people moved towards entrepreneur activities within the informal settlements initially and from there on expanded their business. These enterprises not only provide sustainability for a family running it but also provide employment to others and in turn make people capable of supporting various

development works in their immediate surrounding. Work carried out in Orangi Sanitation Program is a clear example of such an effort where local population contributed towards laying of sewerage lines in their area. Looking at statistics the importance of such informal enterprises would be clear:

*...Seventy five per cent of Karachi's working population is employed by the informal sector (in 1974 the figure was forty eight per cent) in small-scale industry, trade and the provision of services.<sup>9</sup>*

That fact shows the necessity for these enterprises to exist, a community but city-wide social breakdown would occur in case these units were forced to shut down due to eviction or political and economic pressure. The interesting thing about the existence of such industries is, contrary to general belief, the city administration is aware of their existence and improvises on the situation.

*... informal units informally pay large sums of money to the police and the district administration so that they can continue to function.<sup>9</sup>*

Thus the main loser in this game is the public exchequer. These units work and survive successfully through trial and error method. No technical advice or credit is available to them except

*(The) ...only credit that they can access is from the open market at ten per cent interest per month. This curtails their expansion, efficiency and job generating capacity.<sup>9</sup>*

This does not mean that the survival of such institutions requires subsidies from the government. In fact quite contrary to it, these enterprises have made investments in the shape of bribe money paid to local administration in return for a hassle-free existence. If one considers the amount of money paid by them for such a purpose, a 'blind eye' approach would be understandable.

## 1.9 Hypotheses

This thesis is being based on four points that have formed hypotheses. These have at present been pinpointed on the basis of initial observations. In relation to informal settlements the first hypothesis pertains – **the informal settlements’ environmental improvement is dependent on financial prosperity.** In the introduction to the chapter, poverty figures and the government’s fiscal priorities have been discussed. There is the development of informal settlements which have their origins due to illegal acts and encroachment because masses of people were unable to buy developed land. This takes us into another direction – incremental development. In this context, Pakistan projects based on such agreements have shown positive resolution. Thus as money is earned some proportion is spent on the surroundings. With poverty affecting approximately one-third of the population its priority is to provide food for hungry mouths and environmental issues become secondary. Understanding this dilemma of the general masses of people in the informal settlements the hypothesis has been made and the aim of this research is to discover whether it holds true or not.

The second hypothesis is, **social norms make it impractical to separate settlement from economic activities.** Pakistan’s social structure is highly influenced by state religion and traditional values by which the women’s roles have been to rear children and take care of family members, their domains being their houses, while men have been associated with outside activities. During General Zia-ul-Haq’s tenure the concept of ‘*chaddar and char-dewari*’ (veil and four walls) was extensively promoted, leading to the diminishing of women’s role in public circle. Working women are looked down upon by male members of the society. The dilemma increases two-fold with a large number of people living under the poverty line. Thus, working women who earn money becomes a necessity. Usually due to family pressure, women work from home within settlements. Their work ranges from retail to production. Craftsmanship they learnt since childhood becomes a means of earning for them, and for this reason it can be deemed vital for the survival of home-based income-generating activities.

The third hypothesis is, **for informal settlement development, end-user participation is necessary to achieve sustainability.** Whether such a suggestion would help resolve the current situation of tension existing between government



functionaries and settlement residents and solutions needs investigation. Perhaps less aggressive and volatile actions could be achieved. There would then be question of the extent of the user involvement in the overall process, where to draw the line and how mitigation and substantive solutions could be achieved.

Finally the fact that the **legalization of economic activities would assist in the environmental development of the settlement**. It is common knowledge that huge sums of money exchanges hands between local entrepreneurs and the civic administration, political parties and other influential actors. This leads to the breakdown of social structure as society divides into social and anti-social groups where the latter seems to be in control of people's livelihoods, thus extenuating undue influence, giving rise to corruption, extortion and exploitation.

### **1.10 Aim**

The aim of the research is to 'investigate relationship between economic activities within informal settlements in urban areas of Pakistan and their link with the sustainable development process'.

### **1.11 Objective**

The aim is to be achieved through the following objectives:

- To investigate through three distinct development patterns of existing settlements and how government and non government agencies are dealing with development initiatives for informal settlement.

The current development pattern through literature review shows that the development plan for individual settlements across Pakistan have unique features individually, but they all follow a basic conceptual model. Hence it was necessary to identify the main development ideology for the informal settlements. Case studies are needed to understand the salient features of the plan and its impact on long term sustainability target. The study of informal settlements in terms of development would help in identifying the existence of relationship between community's financial

capabilities and their development planning. It would also highlight whether economic enterprises form integral part of the settlement or not. To investigate the above, two key factors need to be accounted for: firstly the improvement in existing settlements and second is source of funds for these improvements. Once the development pattern has been identified

- To investigate the legislative policies and regulation's impact on the development of informal settlements.

Second objective is comprehensive investigation of the legality of the settlement and the economic activities within it. Legislative documents need to be identified and their impact on the development process within the informal settlements. Government's commitment and development planning towards informal settlement can be chalked out from the policies. Since early 1980's Pakistan government has been trying to solve shelter needs of masses. Informal settlements have consolidated to the extent and that too on the land that would have been developed into low cost housing. Government's response to it was issuance of new policies giving housing rights to the settlers within the informal settlements. The change in governments stand has pushed the development issue of these settlements into limelight. The discussion of government legislature would enable to understand the role of end user in policy framing and the effect legal position of settlement or the economic activities within it would have over development initiatives. Therefore an investigation into the nature of activities in the settlement would be necessary and the next objective would be:

- To investigate through survey existing economic activities in informal settlement and their impact on the sustainable development of the informal settlement.

The raw data needs to be collected to understand the role of economic activities on both social and environmental parameters and to demonstrate the extent of community or individual capacity in funding the projects. The case studies are able to demonstrate the method and procedure of development plans but the issue of funding

and its means are still to be tackled. The importance of the economic activities in regards to development and social dynamics of the informal settlement would be investigated through the survey and its analysis. This would yield towards the role of economic enterprises in the development scenario of the informal settlement. The data would knit together the previous objectives to portray a complete picture. Conceptual development plan, backed by legislative position of settlement and the economic enterprises, key players and finally the actual social and economic data from the end users would help in identifying whether the four hypotheses have held true or not.

- To investigate through literature the role of different actors involved in the development process of informal settlements.

Final step would be to understand the role of various stakeholders in a development plan. From the identification of issue to solving it, almost every actor (government, donor organization, international financial institutes, non government organization, community activists and residents) is involved in formulating a development plan. This at times leads to conflict which results either in complete breakdown of communication leading to aggressive demonstration usually by end users, or stagnation of the development process. In understanding the role and the degree of involvement from various stakeholders, an optimum strategy can be devised for development and later on sustainable development initiative. Attaining this objective would help in looking at the inclusion of end users and residents role in policy making decision.

### **1.12 Methodology**

The research has been initiated to look into the relationships between economic activities within informal settlements and their environment. To investigate the aim four hypotheses have been formed and hence the research methodology is designed around them. The research hence required both qualitative and quantitative methods.

Apart from field work, the literature review was of prime importance, especially to look into the legal status of the settlements.

Four data sources are important to the research and their acquisition forms major part of the methodology. These are,

- Informal settlements data and visits to observe the development process and its outcome.
- Legal document relevant to informal settlements.
- Survey to get information on the economic activities within informal settlement.
- Actors working towards development of informal settlement.

Two cities are selected as case studies, Karachi (in the province of Sindh) (Appendix 6) and Faisalabad (in the province of Punjab). The research is based on social and environmental issues and hence apart from qualitative and quantitative data, visual data is also of prime importance. The main reasons for adopting the above mentioned research tools are discussed in the following sections.

After initial literature review it was clear that literature from Pakistan has to form an important component of research. Apart from that, survey has to demonstrate a development pattern, hence two cities are chosen one Karachi which is major commercial and industrial city in Pakistan. Second city is Faisalabad, a developing city in terms of commerce. This would help in understanding the development pattern of informal settlement. Faisalabad was selected because one of Karachi based non-government organization had initiated its self help ideology there and it would give an opportunity to see the beginning of this initiative. Karachi on the other hand was a success story in terms of self help development programme. The process began in early 1980's.

### **1.12.1 Literature Review**

Two types of literature are taken in account for this research. Legislature and policies formulated by the government and any criticism of it that has been published. Case

studies related to development in Pakistan and theoretical literature dealing with development perspective.

It is important to look into government policies, non-government organizations efforts and resident views and aspirations, these have been discussed in Chapters 2 and 3. For any development project to reach the level of sustainability needs to take into confidence all the stakeholders.

### **1.12.2 Survey**

The survey was designed and carried out to get first hand knowledge of the situation on ground. It was designed to understand the perception of the community regarding their surrounding environment and businesses within their residential spaces. To attain this objective questionnaire was designed (Appendix 1). The survey was directed towards getting information about community's immediate surrounding and the nature of economic enterprise. Also income and financial details of the residents was considered important. Data related to income and capital expenditure was considered vital as to understand the spending capacity of the residents.

### **1.12.3 Analysis**

Once data is collected, the analysis and synthesis of the raw data is to be carried out in chapter 4. The analysis would have a strong bearing on the recommendations that are to be proposed at the end of research. For analysis SPSS (Statistical Programme for Social Scientists) was considered as it gives more freedom for the analytical process. The literature review is to be made part of the analysis as three other data sets are to be taken apart from the raw data gathered during the research. This would help in minimizing the skew within the gathered data.

A conclusion is to be derived from the analysis section and from that, recommendations for future policy guidelines are to be formulated. The recommendations would be a guideline, particularly for informal housing areas or for areas that need immediate interventions that would lead to sustainable development.

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## *Chapter 2*

# **Literature Review One: Conceptual Case Studies**

### **2.1 Introduction**

Settlements and their development patterns can best be understood by examples. Settlements are units of a city. In the urban centres of developing countries such as Pakistan, informal settlements solve not only housing issues, but also much-needed employment opportunities, although most employment opportunities within the informal settlements are underpaid. The dynamics of the city are intertwined with the informal settlements. These settlements tend to combat growing unemployment, particularly in urban areas by providing employment opportunities. A standard opinion of an informal settlement, although a stereotype, is of an environmentally dilapidated area, inhabited by the poorest strata of society. This view was true during the earlier days of settlement formation, but as time has passed; most informal settlements of more than fifteen to twenty years old have changed demographically. Offspring of the original settlers are now in white-collar jobs. Economic enterprises still are being run from domestic premises; these enterprises form the life-blood of the informal settlements.

Three modes of informal settlements development can be seen in the urban environment. The thesis primarily deals with the economic sustainability as criterion

for environmental ‘up-gradation.’ The case studies have been chosen in keeping with this philosophy. The case studies discussed here are mostly related to the settlements themselves and the working of locals towards ‘up-gradation’ of the environment. The case of eviction has also been discussed only to understand the concept of environmental development taking precedence over economic and social ties. Most of the case studies pertain to Karachi. It has been clarified in earlier chapters that Karachi at the moment is facing urban issues and a large number of its inhabitants are living within informal settlements. An insight into their living conditions and their struggle for better surroundings are the principal aims of this chapter.

## **2.2 Literature Review Methodology**

Two types of literature reviews were carried out one related to development work carried out within informal settlements and second of legislative documents. These have been discussed in chapter 2 and chapter 3 respectively. To understand the development being carried out within informal settlements case studies were selected. The data gathered from the literature review defined the concept of the development and the historical background for the particular type of development initiative. To understand the working within informal settlements observations were considered as an important element hence visits to the sites were made. These visits were needed to understand the environmental development of informal settlements. The following methodology was adopted to get data about relevant case studies;

- Networking to gain access into the settlement,
  - Government agencies,
  - Non-government organizations working within informal settlement ,
  - Local residents of informal settlements,
- Observations carried out to,
  - Understand role of middleman,
  - Environmental conditions of the areas.
  - Improvement of area
  - Photographic evidence



## **2.3 Incremental Development Scheme**

### **2.3.1 Khuda ki Basti**

The name Khuda ki Basti (God's Settlement), in itself describes the philosophy surrounding the development process of these and similar informal settlements. Khuda ki Basti was an experiment, to revolutionise the provision of shelter for low-income households. Experience suggests that most housing settlement projects initiated by the government became victims of the speculative market. Plenty of land is available, but with the commencement of serviced schemes it changes hand from public to private ownership. This conversion tenders the land out of the jurisdiction of any public use and therefore becomes a vehicle for private investments. Over the years the land price, especially in cities such as Karachi, have increased many-fold, the land in serviced government prepared projects tends to be a good source of saving. This gave rise to a speculative industry especially in the grey economic segment. Most plots therefore in government schemes were bought by higher income earning groups and the project missed its target, the low-income group for whom it was intended. The speculative nature of transactions surrounding the land obliges the serviced land to remain unoccupied for a period of time with expectations for greater gains over time for the investors.

### **2.3.2 The Concept<sup>1,2,3</sup>**

In 1986 the Hyderabad Development Authority ("HDA") prepared a scheme for the low income target group. This scheme was based on the model of:

#### **Land — People — Housing — Infrastructure<sup>4</sup>**

The idea behind such a development pattern was to ensure that only people with housing need would approach rather than the investors and speculators experienced elsewhere. Land was not developed thus discouraging to a certain degree its commodity status. Once people started moving in, the major task still was to screen out the speculators. This idea of undeveloped land being provided was an unconventional approach. This is not uncommon - as in the case of illegal subdivisions prepared and run by land mafia follow the same principle of land allotment.

It was a revolutionary concept because it replicated the illegal planning pattern. The illegal acquisition of land is not as complicated as it is in the formal system. The middleman gets the families to build the house on the available parcel of land

intended as informal settlement site as soon as possible. Failure to comply by this condition means forfeiture of the down-payment and the plot being sold to another client. In the Khuda ki Basti scheme the same procedure was applied; although one main difference observed was that the settlers in Khuda ki Basti received paper of tenure after paying all of the dues which is not the case in illegal sub-divisions.



**Figure 2.1** Waiting Area for families





Figure 2.2 One room waiting area for families to move in along with their belonging.



Figure 2.3 Family moves in on the vacant plot and puts up shacks for residential purposes.

Figure 2.3 Infrastructure development in settlement corridors





**Figure 2.4** With time rooms are added and construction made more durable



**Figure 2.5** Infrastructure development as settlement consolidates.





Figure 2.6 Retail Outlets become part of domestic space.



Figure 2.7 ... alongside production as well.



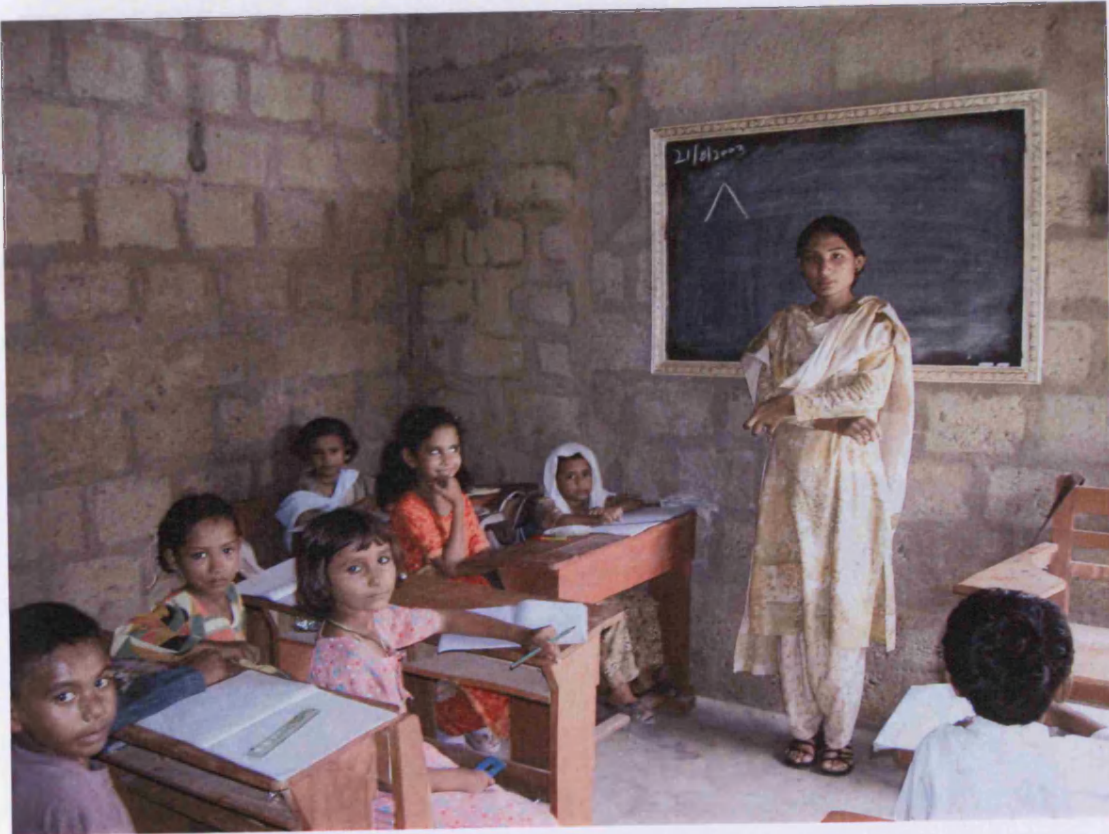


Figure 2.8 Schools run by locally educated youths provide for settlements educational needs.



Figure 2.9. Retail units to service the daily needs of settlement.





**Figure 2.10. Both retail and consumption sectors grow within the settlement to make it self sufficient.**

The scheme tried to accommodate the market demand for land. The main demand of the low-income bracket was and still is persisting to land. Serviced land is far more expensive than un-serviced, because the cost of development is added to the plot price; and this takes the land parcel way out of the reach of the poor. For most serviced settlements, planners follow the following model:

**Land — Services — Housing — People<sup>4</sup>**

This model is not viable for low income groups as there is a long wait between payment and possession. Often there is a single payment which is much higher than the amount that can be afforded by the low income group. The strict by-laws that need to be adhered to, under such a model also keep the low-income target group from seeking such land. Therefore, this type of settlement invariably becomes the speculators' choice.

The question of stringent by-laws is another issue which will be discussed in chapter three. All settlements are obliged to follow the city regulations which are not too

compassionate towards low-income areas and informal settlements, thus giving rise to a social divide which is marked by environmental degradation. One of the reasons for Khuda ki Basti's success was the relaxation of building by-laws. This gave low-income groups the advantage of flexibility in the choice of material and mode of construction. In addition, this independence significantly reduced the pressure on the settlers, as they paid the land purchase price, which developed a very low default rate. Essentially, their land ownership was not dependent on the quality of construction. Undoubtedly, this approach gives rise to a question of safety. But in understanding the plight of those without shelter, it becomes important to provide housing and bring them within a secure environment, where help is available.

The un-serviced settlements had another benefit: the cost of the project was within reasonable means and therefore affordable by the poor. This affordability meant a low default rate, as discussed earlier. At the same time, the executing agency did not have to subsidise the project. The cost of development to this approach was the responsibility of the residents and was incurred on an incremental basis. The residents would get land papers only if all dues (land purchase and development) were paid in full. This incentive for land ownership helped in the development of the area.

Apart from the relaxation of the building by-laws, no other stringent laws were imposed over economic activities within the area. Although the settlement was linked to major cities via government transport, it has taken awhile for the private transport operators to consider the routes viable. Meanwhile, to support the internal growth of the settlement, retail, services and production activities started. These activities generated a dynamic environment within the community. Development work was intended to be carried out with the direct involvement of local representatives, however was hampered by the lack of community involvement. The element of trust was missing between the residents and their representatives. Despite the success in controlling speculation, the social bonds were missing in such communities. It became cumbersome to deal with every individual and therefore the development process faced difficulties in getting people to agree on issues.

The all-important role of middleman was formalised in the project although his or her job description was not. The scheme's success was to a certain extent to be accredited



to the incorporation of the middleman. The definition of a middleman is: an entrepreneur dealing in the business of delivering land to low-income households for a fee. The middleman usually holds a prized property in the scheme for speculative purposes. He or she is not involved in social uplift of the settlement

## **2.4 Up-gradation**

### **2.4.1 Orangi Pilot Project<sup>5,6,7,8</sup>**

Orangi (Appendix 6) is one of the 18 townships in Karachi. After the Devolution Plan of 2001 under the Local City Government Ordinance (LCGO) 2001, Karachi is now divided into eighteen towns. Each town is further divided into Union Councils and at present there are 178 Union Councils in Karachi. Around 1.2 million people live in the area, out of which 86% are informal settlement residents. Settlements are multi-ethnic and comprise people from all parts of Pakistan as well as immigrants from Bangladesh (then East Pakistan) and Afghanistan.

Orangi started out as a formal township planned by the government. The Karachi Development Authority spread the township over an area of 520 hectares. It was used as a relocation site for evacuees of demolished inner-city informal settlements. The only service that was provided was water supplied by tankers. The beginning of a government-planned scheme attracted informal land dividers and Yakoobabad became one of the first areas where an informal settlement was developed *circa* 1977. The area of Yakoobabad today, comprising 2,000 households, was open land prior to that time. Preserved for the Rind tribe as pasture-land, it was subdivided informally by the middleman and encroached upon. Later agreement was reached between these middlemen and the tribe which facilitated the illegal sub-division of the tribal land. During the initial stages of occupation, the middleman is responsible for provision of water and security. At times this leads to troubles with landowners and as it happened in Yakoobabad a formal case was registered with authorities. In most cases, settlement is reached in such a manner that both parties benefit from it. Once a land issue is resolved, government functionaries need to be taken into confidence for future security of the informal settlement. This is done by making them stakeholders in the settlement. Prized plots are given away free of cost with no obligation towards



**Figure 2.11. Orangi - lane without any civic infrastructure**



**Figure 2.12. Settlement towards environmental up gradation**



**Figure 2.11. Orangi - lane without any civic infrastructure**



**Figure 2.12. Settlement towards environmental up gradation**



Figure 2.11. Orangi - area without any civic infrastructure



Figure 2.12. Settlement towards environmental up gradation





Figure 2.13 Funded by domestic industries.



Figure 2.14. of various types... (construction) has people do narrow their shelters with the passage of time and provision of more funds

construction. Apart from gifted plots the middleman keeps some of the plots for himself for speculation purpose. As the settlement grows land prices soar and profit is made on such vacant land through sale.

For speculative purposes, it is important for the informal settlement to grow. This assures security of tenure and a strong lobbying group for security of land possession and civic amenities acquisition from the government. Further, for the purpose of consolidating the informal settlement, prospective settlers need to construct their dwelling within a month. There are no standards to be adhered for construction of dwelling. It can be a shack or a brick house, depending on the household income of the occupant. In case construction does not start or the family fails to move in, property is forfeited and middleman re-sells it. Money paid by original occupant is not to be returned. Thus the area gets populated quickly. During the same time middleman arranges for some means of private transport and water is provided initially by tankers. Later private transport takes over depending upon the profitability of the route. As for water, households start arranging it on their own, again through tankers.

The provision of other services like, gas, sewage, electricity and phone are also crucial for the settlement. For the acquisition of these services, the middleman initiates an action group of which he is a member. Lobbying from such a group helps in getting work done quickly. But all these efforts are simply to get security of tenure and attaining civic necessities. Also availability of these amenities raises the property price. For middleman, land division is business and means of earning, increase in speculation raises the plot price he has saved for himself and thus at a later stage he sells these usually for a significant amount. Middlemen are not interested in the environmental or economical development of the area. But in the process of getting facilities from government they do initiate a social consolidation. This in settlement like Orangi helped achieving environmental development initiatives. Orangi is an important case study, for it traces its origin from an unsuccessful government project and then invasion of government land. This makes Orangi a typical example of Informal Settlement in an urban setting. No laws govern the standard or quality of construction, but people do improve their shelters with the passage of time and provision of more funds.

*Plot sizes are normally 60 - 80 m<sup>2</sup> and no infrastructure facilities are provided. Most houses begin as a shack and a toilet and then a one room un-plastered concrete block walls and tin roof structure is put up. However, they improve slowly over a period of time. Consequently, there are major differences between the early Orangi katchi abadis (informal settlement) and the newer ones that are being created.<sup>9</sup>*

The time taken to complete the construction of houses can be years and this does not include any external environmental development. Since informal settlements do not have access to professional advice and support, it is not possible to include planning or construction guidelines. Before 1984, when Akhtar Hameed Khan initiated the Orangi Pilot Project- Research and Training Institute (OPP-RTI), residents of the area were living in squalid conditions. The Orangi Pilot Project (OPP) was initiated to give advice to the local communities about making their environment more congenial and suitable to human habitation. Over the years, the project has been replicated across Pakistan and elsewhere. The pilot project started from sanitation improvement and today has health, education and micro-credit facilities.

In the process of settlement up-gradation, OPP channelled the local resources and integrated the people's choices into its research and development plans. Most of its outcome was sustainable in terms of local economic conditions and the availability of material resources. The sanitation program that started in 1984 has been the most successful and is being replicated in other towns of Pakistan. The OPP team began by training the local youths and skilled personnel, thus capacity-building became part of the objective.

Most international donors and the loan-funded projects adopt high quality standards, which in developing countries often becomes a hindrance towards development goals. Looking at the development trends in house building, it is evident that settlers in informal settlements cannot afford a one time down-payment for any development work. Their priority is first to secure their safety of tenure, to construct a house and

get basic amenities such as water. During the initial phase of informal settlement, most amenities are acquired through private means - e.g. electricity is provided by private vendors operating electric generators, but with time government agencies or public sector enterprises such as Karachi Electric Supply Corporation (KESC), which was recently privatized, cater to such demands. The OPP made headway towards the practical inclusion of such amenities in the settlement.

Residents paid for the plots on which they currently reside, but it was to an individual and not the government. The government did not receive any money for the land. Although Pakistan's constitution defines it as a welfare state, it needs funds to provide for civic and social facilities and amenities. In the case of informal settlements, one source of funding such facilities and amenities is the sale of land that is no longer plausible. It is common practice to associate all development costs as government responsibility without realising that the government also needs resources to fund such efforts. Until 1984 the people of Orangi were of a similar mind-set. The success of the Orangi Pilot Project provoked and engendered a new way of thought and approach. An internal-external development model surfaced whereby the government was asked to invest in mainline connections referred as external development and the settlers would finance the internal development which comprised individual houses, lanes and secondary lanes. Undoubtedly, this helped the government to save significant costs in providing the amenities which otherwise were non-existent. This public-private partnership initiated in the 1980s has changed the face of Orangi; the area now has a waste sewage system financed by the people. Apart from infrastructural development, other social initiatives have also occurred under the technical assistance of the OPP. Amongst these are health, education, and lately micro-finance.

The success of Orangi (OPP) asserts the fact that the settlements become employment and production hubs. Cottage industries are found in abundance within the district. Over the years, the new generation became involved in white collar jobs while the settlement still has active cottage industries. These industries, although illegal in practice, still survive the hardships. These are the earning sources for the families. Most establishments are within the house and not disclosed by the people, perhaps to avoid paying revenues to the state in the form of levies and taxes that are otherwise



payable on goods and produce manufactured or rendered. These establishments provide retail commodities such as textiles, costume jewellery, bangles etc to the main city market.

## **2.5 Evictions**

### **2.5.1 Lyari Evictions<sup>10</sup>**

The settlements within the boundaries of the Lyari Township form a conglomeration of leased and un-leased land, as well as that which is undergoing the process. Besides the variety, the major reason for the selection is the ongoing mass evictions in the area. These evictions are carried out regardless of the legal status of the settlements. The reason for such action of the Pakistani government is a major thoroughfare.

Settlements within the demolition belt range from nineteenth century villages such as Hasan Aulia, Illyas Goth, Angara Goth, Gauharabad, and Jahanabad. Regularised informal settlements such as, the Mianwali Colony, the Liaqatabad, the PIB Colony, the Gharib Nawaz Colony, Muslimabad, and Farooqabad exist as well. These two types of settlements have consolidated houses, built infrastructure and community facilities. Included in the list are settlements marked for regularisation: Haji Murid Goth, Muslimabad and Madina Colony are examples of these The river-bed settlements are the Peoples Colony, Mohammadi Lane and Iqbal Colony<sup>11</sup>. Settlements in the river bed, according to law would never have been able to get leases, as these are located on hazardous land.



**Figure 2.15 Settlement by the river bank.**

Thus the area (Appendix 6) comprises of settlements that have a huge amount of financial resources invested towards their immediate environment needs, and settlements that are still trying to reach that level. A Lyari Expressway project (Appendix 6) that is the root cause of eviction in the area is a 16.5 kilometres long road with three lanes on either side of the river bank. It starts from Mauripur and ends at Sohrab Goth (both locations within Karachi city precincts). Sixteen overpasses are planned, and at its completion it would have the capacity to carry 30,000 vehicles per day. The cost of construction is Rs. 5.1 billion and cost of resettlement has been estimated at an additional sum of Rs. 2.1 billion. Thus the expressway would cost Rs.7.2 billion. The main justifications for the project as quoted in the Urban Resource Centre report are the easing of traffic flow within the city and removing people from the flood zone to safer locations.

There has been widespread protest against these evictions. The government estimates demolition figures to be<sup>11</sup>—

- Housing Units 13,531
- Commercial and manufacturing units 1,222

The Urban Resource Centre (a non-government organization) estimates approximately 25,400 housing units that are set to be demolished. In addition:

*The schooling of 26,000 students will be discontinued and about 40,000 wage owners will lose their jobs. Almost all these persons work in the neighbourhood wholesale markets and manufacturing units.<sup>11</sup>*

*Residents and local government have invested Rs. 5 billion in building homes, schools, social sector facilities, acquiring infrastructure connections (water, electricity, telephone, gas). All this would be demolished in an age of recession, unemployment and inflation.<sup>11</sup>*

If removing people from flood zone areas is the major reason for this project, then it is interesting to note that *Less than half of the affectees live within the flood plain of the Expressways as identified by WAPDA (Water and Power Development Authority) study of 1978. The rest are not in an endangered zone.<sup>11</sup>*

Lyari is one of the initial settlements of Karachi and is therefore important in Karachi's history. Over the years the river has been polluted and therefore is not a life-supporting water channel. In 1978 due to heavy rains, the river flooded and there was loss of life and property. In response to the catastrophe, the Water and Power Development Authority (WAPDA) prepared a flood-protection plan, but it was never implemented. In 1986 an idea for an expressway was investigated, but government studies found it unfeasible as approximately 100,000 people live along the banks and a direct result of the building of an expressway would have been their evictions. Between 1989 and 2000 a few international development agencies were involved with the project, but later backed out of the financial commitment they had offered. In 2000, the government decided to go ahead with the project.





**Figure 2.16 Lyari River Bank**



**Figure 2.17 People's investment led in to infrastructure development.**





**Figure 2.18 Evicted land.**



**Figure 2.19. Treatment plant would clean the river and improve the environment.**

The design of the expressway is such that two huge walls would be erected on each side of the bank, basically dividing the city in two, with bridges acting as the only means of crossing to the other side. One can infer that Karachi will turn into pre-unification Berlin once the expressway is built.

Apart from the amount being invested in the building of the expressway, another major concern is that of displacement. The resettlement project running parallel to evictions is moving families to different localities.

### **2.5.2 Aftermath of Evictions**

Three sites have been marked for evictee resettlements. These are: Hawkes Bay, Tesaar Town and Baldia (Appendix 6). The first two are located at a considerable distance from the centre. Hawkes Bay and Tesaar Town are at opposite ends of the city. As part of the plan, an eighty square yards plot and Rs. 50,000 cash is handed to the owner of residential unit demolished. No such compensation exists for commercial establishments as such activities are considered illegal in residential areas. This in itself demonstrates the negative attitude or lack of understanding of government operatives towards the concept of development of small scale industries within the residential settlements.

The Lyari area after independence became a hub of markets and manufacturing as well as a huge garbage-picking and recycling community that had been formed within the settlement. Storage and warehousing have also become part of the land use and to support these activities, transport-related services have increased significantly. This has caused environmental degradation by air and water pollution. Major markets exist within the precinct, the Dhan Mandi, and Chemical Market. Over the years the settlement has faced adverse environmental affects because of the presence of these hazardous markets. Now, the advent of expressway port traffic will pass through the centre of the city and polluting the environment further. (This would further enhance the warehousing and storage activities and in turn support the transport services sector). The government is working on Northern bypass which loops around the city towards the north, and therefore would take the port traffic out of the city. Because of budgeting issues Northern by Pass starts and ends at the same location as does the



Lyari Expressway. Public would not choose to take the longer route, which is the Northern by Pass, instead of the shorter direct one, the Lyari Expressway. The construction of the Lyari Expressway defeats the very purpose of the bypass which is being built to divert the entire port traffic and inter city transport load.

Evictions in developing countries are not subject to planning: no list has been prepared or survey conducted of the affected population; in some cases people are given only seventy-two hour eviction notices. Under the circumstances it becomes difficult for people to come up with suitable relocation plans. The Lyari relocation project has been started, but the Slips for an alternative property in the relocation site are less than the number of units demolished. The issued Slips at the time of the publication of the URC report in 2003 were 2,271 and units demolished were 3,500. The relocation site as such also lacks social and physical infrastructures and should be developed over time; meanwhile evictees are still being sent to such sites.



**Figure 2.20 Infrastructure is still under development (by government) at the resettlement site.**

A serious impact is felt in social networks, since individual households are relocated, disintegrating communities which had established themselves. The destruction of such



networks increases the feelings of insecurity and a lack of rights. Thus the crisis of 'poverty of rights' deepens. A major argument for eviction was to upgrade the standard of life. This holds true to a certain extent for people living within the river bed, as they now have possession of land which would not have been possible under the present legal system or at Lyari. Most people in the Lyari area chose the location because of its close proximity to their work places. According to the survey conducted by the Urban Resource Centre approximately 29% have some sort of income-generating establishment within their domestic space. Thus evictions cause a major setback in the financial position of such households.



**Figure 2.21 Water kiosks to provide the facility to the settlement.**

Sites chosen by government for resettlement do not at present have transport facilities. This leads to a rise in commuting charges, and reduced employment in the vicinity drives the household into further poverty. Thus not only evictions augment rights poverty but also play a major role towards physical poverty elevation. Physical poverty arises because of social, psychological and corporeal changes. With evictions a whole *modus operandi* of a society disintegrates. Both individuals and communities face the hardship. Countries such as Pakistan where there is no adequate



social service yet provided by the government, produce cases of hardship. These small communities within settlements provide safety nets for individual households during difficult times. Evictions and relocations destroy such networks, and households are left on their own. The relocation to a different site means restarting life from scratch. Construction of new housing unit takes time, and during that period families stay either with relatives or take up rented accommodation. In first case, households lose their independence and in the second case there is an additional financial burden for the earners. The loss of social interaction and education is another drawback.

Evictions in most cases generate a huge amount of waste and therefore should be considered as last resort, and handled with due care. Alternatives need to be looked into before displacing a population. The social networks that are established over time not only provide psychological back up, but also assist people in acquiring jobs, business contacts and support for any political or infrastructural change. Another point is that eviction inculcates feelings of insecurity and therefore it becomes difficult to convince people to invest in development endeavours. The case of Lyari is a good example, although it is only one of the few evictions, however the number of houses demolished is astonishing.

## **2.6 Synopsis**

The three cases discussed demonstrate the importance of both individual and community finance. Environmental sustainability is linked with household's economic stability and therefore the two cannot be looked in isolation. Both Orangi and Khuda ki Basti support the idea that that urban development needs to take into account the financial capabilities of the residents. Poverty is a major obstacle for any sustainable development initiative that needs to be carried out in a developing country. Developing countries have an additional burden of debt-repayment and therefore major portions of their fiscal resources are committed to that; additionally, internal and external security concerns are of prime importance. Under most circumstances, poverty also leads to civil strife and expenditure on security becomes a prime concern of the government. It is accepted that corruption is prevalent, and is considered as a part of the government system that can be justified as a root cause of meager salaries and growing inflation within the country. Thus it is not possible for

governments to initiate development projects for every one in the country. Urban squatter settlements now occupy approx 50% of urban land, which is a huge proportion. The demands of this sector are far greater than the formal residential areas. As discussed above, because of the illegal occupation of land, the government is not reimbursed for the development cost. Any development project is funded entirely by the government. Apart from the scarce means of funding, most government projects do not take people into their confidence, as evident from the Lyari Expressway Eviction. This attitude leads to waste of the physical infrastructure and destruction of community.

From Orangi and Khuda ki Basti, one learns that community finance and security forms a strong platform for development initiatives. Not only that people are empowered but they become equal partners and stakeholders in the development process. Thus, development itself becomes a matter of personal esteem. The lane development as adopted by both settlements is a small effort in terms of the scale of the project but it mirrors the financial capability of the residents and is a sound alternative for incremental investment.

Informal settlements are illegal by definition but since urban housing stock has neither been replenished nor new ones made available, it is the only means of shelter for millions of poor people. Migration cannot be blamed for the major growth of such settlements; urban poverty has a major role to play for uncontrolled growth. The government's response over the years has not been adequate; although it has initiated quite a few housing projects, these have been targeted by the speculative market and lost the main target population.

Incremental development seems to be one of the solutions in tackling the conundrum of shelter for urban poor. It has been proven through the failed government projects that the poor are unable to pay a single payment for either land or its development. This aspect is directly linked to their financial resources and thus highlights the importance of mode of earning. Earning in most of the informal settlements is either through labour or a cottage industry, at least during the initial phase. This implies that people can fund their area development only if funds are available. The environment becomes a secondary issue for the settlers, nonetheless it is of importance. This is

shown through the community participation generated to obtain amenities for their areas. To assure development it is of utmost importance that their mode of earning be safeguarded. If actions are taken to destroy the economic base of the community, it will become difficult to attain even temporary development, however particularly not sustainable development. Sustainability gives importance to economic endeavors as much as environment and social ones. Informal settlements in urban areas have reached a level of social coherence, but to upgrade their surroundings there is a need for additional money, which if coming from residents would generate a sense of belonging. Therefore it becomes important to motivate entire communities to participate in sustainable development initiatives. Community finance is also a secure means of funding and monitoring. Individuals within the community become the monitors and keep the process in check. At present, when local financial institutions need security and collateral for any loans, community financial guarantees act as the social net.

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## *Chapter 3*

# **Literature Review Two: Analysis of Legislative Documents**

### **3.1 Introduction**

The government's initiatives and programmes for housing in the past did not yield the anticipated results. Hence the government tackled the growing issue of informal housing by regularising it. The initiative required a formal policy and therefore the Katchi Abadi Acts (Informal Settlement Act) and regulations came in to place. The aim of these regulations was to confirm the government was serious about improving the standard of living of its citizen. This was the first effort to tackle the shelter issue, but it brought about a change in the role of government policies. The development of all the Katchi Abadis in the country is a huge task. Approximately 40% of urban scenario is dominated by informal settlements and after the earth quake of 2005 that destroyed entire cities, the need for relief from construction by laws and standards has become inevitable.

Policies define the development issues of a country from an administrative point of view and hence become the criterion of future plans and this development of regulations governs the lives of the informal settlement dwellers. This chapter deals with the main Acts and regulations that are concerned with the development of informal settlements primarily in the province of Sindh and Karachi city. Every city

in Pakistan has its own regulations and hence it would be beyond the capacity of this research to analyse every single one of them.

The Sindh Katchi Abadis Act 1987 was passed by the provincial government (Sindh). A Similar Act has also been introduced in Punjab province. Since the main case studies and the thesis deals with Karachi, located in the Province of Sindh only policies pertaining to the province are discussed. The documents (acts, ordinance and regulations) discussed below have been incorporated in the research to understand the government's policies towards the issue of housing. Relevance in terms of this thesis is important in order to understand the whole picture and yield an impartial solution to the current issue. The documents discussed below are The Sindh Katchi Abadis Act 1987, The Sindh Katchi Abadis Authority (Regularisation, Improvement and Development) Regulations 1993, Sindh Building Control Ordinance, Sindh Building and Planning Regulation, Transfer of Property Act, Registration Act 1908 and Land Acquisition Act.

### **3.2 Sindh Katchi Abadis Act, 1987**

The preamble to the Act states;

*Whereas it is expedient to make provision for the development and improvement of the areas of the Katchi Abadis and regularization of such Katchi Abadis and to establish an authority for the purpose;<sup>1</sup>*

From the preamble itself it is visible that the main task of the legislature is not only to give legal title to the dwellers of the informal settlements but also to develop and improve the existing living conditions in the area. The Sindh Katchi Abadi Act 1987 is mostly concerned with residential needs and the development of the environment in accordance with the provisions carried therein. It does, however, have room for commercial and industrial establishments within the informal settlements. It is clearly mentioned that a separate body 'authority' is to be established whose sole purpose would be to implement the Act.

The Sindh Katchi Abadis Act 1987, mainly deals with the acquisition of the land, and the procedure of transfer of title to the dwellers for Katchi Abadis; in other words, the settlement has to be existent on the land. Since Karachi, under Sindh Local Government Ordinance 2001, is divided into councils and other agencies (federal, railways, defence), the main task of this new body would be to acquire land and then transfer the lease to the residents, thus giving them legal title of the land. Apart from this, survey and development plans are also to be initiated where needed.

The scope of the Act is limited, as it does not amend the land use by-laws. Its powers, as stated in Chapter III article 11(2), are generalized and range from implementing policies by the government in regards to informal settlements, to oversee the use of funds, evictions, acquisitions and arrange amenities through local councils.

In the same article sub-section viii reads:

*Acquire, hold, control and administer, movable or immovable property or dispose of such property....<sup>1</sup>*

And subsection vii elaborates:

*Evict or cause to be evicted unauthorized person or remove or cause to be removed encroachments from a Katchi Abadi or any area which is not regularizable as Katchi Abadi in accordance with the law for the time being in force.<sup>1</sup>*

The above two sub-sections prove that the Authority formed under the Act has procedural jurisdictions over matters that are also dealt with by the city council government and the existence of the authority is not just for legalization of all Katchi Abadis. The criteria though set to make the judgment for future of a settlement is still derived from existing body of law namely, Karachi Building and Planning Regulations 2002 and Sindh Building Control Ordinance 1979. The stated texts would have precedence in the event of a conflict as stated in the Preliminary Chapter Article 2 of the Act:

*This Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.<sup>1</sup>*

This does bring into question the legality of the economic activities being carried out within the existing settlements and hence the very nature of land zoning needs to be done in accordance with the existing standards for the entire city. This would give rise to question as to whether same standards should be adopted for these areas or whether a separate set of guidelines are required for the sustainable development of a locality and its inhabitants.

The first issue that this Act addresses is the recognition of a settlement as informal. Chapter IV deals with legitimacy of the settlements and administrative control over such areas, and defines its latitude in case of land owned by other government agencies or private tenure. A cut off date and definition of a locality as an informal settlement has been made in the beginning of the chapter in article 19(1) as ....

*Subject to subsection (2), (3) and (4) and direction of Government, if any, the Authority may, after such enquiry as deemed fit, by notification in the official Gazette, declare any area or part hereof which is partially or wholly occupied unauthorisedly before the 23<sup>rd</sup> day of March, 1985 and continues to be occupied to be a Katchi Abadi.<sup>1</sup>*

The emphasis on subsections 2, 3 and 4 are important as they bound the authority's jurisdiction over other agencies and private parties, within the informal settlements that have been formed on an open parcel of land owned either by the government or a private agency. The Sindh Katchi Abadis Act is a provincial legislature and thus has no power over federal jurisdiction. Therefore, prior permission from the Federal Government is required if any change in the nature or state of the land is to be made. Subsection 3 deals with privately owned land where the consent of the owner is necessary for the land to be declared an Informal Settlement, though provision has been made if the owner agrees to have his or her land declared as an informal



settlement. In such a situation, mutual agreement is to be reached between the owner and the Sindh Katchi Abadi Authority. Subsection 4 states that the Authority does not have the power to change the land use of any land parcel that falls under amenity or utility use, this would include *roads, streets, water supply arrangements, sewerage or other conservancy arrangements, hospitals, schools, colleges, libraries, playgrounds, gardens, mosques, graveyards, railways, high tension lines, or such other purposes or is not safe from flood hazard*<sup>1</sup>.

Although Subsection 3 requires consent from the owner of private land for the declaration of the said land parcel as Katchi Abadi, Subsection 6 would come into play if there is no consent; where the area *may* be acquired and compensation paid<sup>2</sup>.

The next Chapter (Chapter V) titled *Development, Improvement and Regularization of Katchi Abadis and Scheme*, deals with development and up-gradation plan, and other procedural requirements. Under this heading an informal settlement shall continue to be within the jurisdictional powers of the council where it is situated. In Section 3 though, the Act re-enforces the power of the Authority and gives it legitimate power to take over, it is not clear whether on acquiring the land, compensation needs to be paid to the Council or not.

Article 21 of the Act defines the scope of this legislature. As for the power to prepare a development scheme or an improvement or regularisation scheme it states that the power of approval shall lie with the government. The range of development is from community planning, to re-housing including low cost housing and amelioration. It seems that the authority has encompassed in its task the overhauling of the Katchi Abadis. There are 1,000 such settlements in the Sindh province, with roughly 15% of the entire population of the Informal Settlements within the province living in Karachi. To a certain extent this may retard the speed of development, for all these activities are under the umbrella of one autonomous body the Sindh Katchi Abadis Authority. Both the preparation of schemes, the checking of authorized and unauthorized occupants, structures (structure constructed after the cut off date of 23 March 1985), rehabilitation and relocation of the affected persons comes within the ambit of this Authority. Provision of utility services and amenities, road network is

also included in its portfolio of works. Also the procedure of lease and issues pertaining to transfer of rights are dealt by the Authority.

Another point to consider is that the Authority has the power to remove settlements which are considered to be encroachments under the existing laws. This seems confusing as all informal settlements are basically encroachments and under the existing legal framework could be removed. Thus the Authority has unrestricted right to remove whatever it considers to be hampering its activity.

It is interesting to note that the lease money earned from the settlements is spent by the Authority for external development. Thus the presumption that the government would deal with external development is not true. It may safely be said that all developments - internal and external are therefore carried out at the residents' expense. Another interesting fact as outlined by 1987 Act is "Betterment Fees" mentioned in Article 27(1):

*Where the Authority is of the opinion that in consequence of the execution of any scheme the value of any property involved is such scheme has increased or will increase, it may levy upon such property a betterment fee and collect the same from the owner thereof any person in possession thereof or having interest therein.<sup>1</sup>*

This seems out of step with the ethos of the formation of the Authority for there is a significant likelihood that the land value will increase once it has been declared legal and incorporated into the formal planning of the city. Thus this article automatically authorises the body to levy a tax that kills the very function of improvement.

### **3.3 The Sindh Katchi Abadis Authority (Regularisation, Improvement and Development) Regulations, 1993**

The Sindh Katchi Abadis Act 1987, under section 41 mentions the stipulation of regulations to exercise the motives of the above-mentioned Act. The Sindh Katchi Abadis Authority (Regularisation, Improvement and Development) Regulations, 1993

satisfies the criteria. It explains the administrative duties of the newly formed authority and also outlines the procedures that need to be adopted to achieve the desired outcome. What follows is a brief outline of the regulations and key sections that need to be understood to comprehend the government's stand on the enhancement, corroboration and development of informal settlements.

The first major step that the regulations took was to give definition to various terms, some of which are as follows:

*Section 2 (i): "Original unauthorised occupant" means a person who occupied land prior to 23<sup>rd</sup> March, 1985 but holds no documentary evidence;*

*Section 2(p): "Unauthorised occupant" means a person who has been occupying any piece of land in any Katchi Abadi unauthorisedly from any date before 23<sup>rd</sup> March, 1985;<sup>1</sup>*

These two definitions seem to have segregated the original occupants in two broad categories. Section 2(i) defines the reason as person not holding documentary evidence, but Section 2(p) while defining the individual as an unauthorised occupant does state the person should hold documentary evidence. It could be said that the difference between the two groups in most probability is due to their being in possession of *documentary evidence*. There is another factor to be noted – the use of the word "Original" that would give benefit to the person in question as they would be distinguished from those who had settled there after the cut off date. Use of the word "unauthorised" does imply that people in question still do not have any legal title or status and thus would validate the government's action in case of evictions.

*Section 2 (j): "Present unauthorised occupant" means a person who has occupied a piece of land in Katchi abadi unauthorisedly after 23<sup>rd</sup> March, 1985 or is a non-owner occupant of land belonging to an "original unauthorised occupant";<sup>1</sup>*

Section 2(j) identifies residents who settled after the cut off date and those who are in rented accommodation owned by individuals not having any documentary evidence. Here the reason is clearly for identifying the two groups. It is a check to prevent an individual from having several properties in the event of the settlement getting legal status, therefore keeping property speculation under check, which in previous government projects has been a major reason for the failure of low income housing schemes.

Chapter II defines the administrative requirements for the application by residents to start the process of legalization. Section 3 (1) of the regulations makes it an official duty of the Authority to prepare a *Master List* outlining areas that need be identified as Katchi Abadi (informal settlement). Subsection 2 of Section 3, however, identifies what would be considered as an informal settlement, thus providing an official definition of the areas that would qualify to be included in the master list;

*Every katchi abadi consisting of 40 (forty) or more dwelling units which fulfils the requirement laid down under the Act, after reconnaissance survey of such katchi abadi and listing such unauthorised occupants, prior to 23-3-1985, shall be included in the master list.<sup>1</sup>*

Under this section a prerequisite condition of 40 dwellings as a minimum has been implied, also the mention of *requirements laid down under the Act* imposes restrictions on recognizing settlements on federal land or land reserved in section 19 (2), (3) and (4). Thus flood plains, riverbeds, security areas and hazardous areas would not fall under the category that can be legalized. Another condition mentioned is of a survey, which will be outlined in the following chapters. But all this would only lead to the settlement becoming part of the master list. This would mean the settlement would be considered by the government for development, regularisation or improvement, depending upon the outcome of survey.

Chapter II also details the required documents needed to prove the residency. The documents range from utility bills to birth or death certificates. In short Chapter II outlines the basic requirements that need be fulfilled for settlement to be considered

by the government for any future action. Chapter III deals with the notification and announcement of such settlements by the government. It also gives the authority the right to remove encroachers within the settlement. Use of the word *encroacher* has not been defined thus leaving it open to interpretation. The author's understanding is that in all probability the word refers to people who moved into the settlement after the cut off date. But the question remains that it has been 20 years since the cut off date and there is a need to revise this date, as even the regulations came in 8 years after the cut off date.

Chapter IV deals with and outlines the areas to be dealt under the three types of schemes namely the Regularisation Scheme, the Development Scheme and the Improvement Scheme. It has been attached as Appendix 2. One thing that needs to be highlighted is the allowance of NGOs (Non-government Organisations) and input from the community. The former, is to participate in the uplifting of the settlement and the latter is for any objections and participation with the NGOs. The idea of bringing in the NGOs is a starting point for a Public-Private partnership that would not only ease government's burden but also provide additional technical expertise. Such a partnership also aids in providing a close watch over the development scheme.

Chapter V deals with the regularisation procedures including issuance of title and legal holders. To control market forces certain checks have been devised which are included in section 21 (5) – (7)

*Section 21 (5): If an occupant is in possession of more than one housing or dwelling units, only one housing or dwelling unit shall be regularised and the rest shall be disposed of as per procedures laid down by these regulations.*

*Section 21(6): While disposing of the units under subsection (5) preference will be given to blood relations of the owner.*

*Section 21(7): If the occupant listed in occupancy list has died, legal heirs of the deceased shall be considered for issuing individual or a joint lease, as the case may be, provided the heirs prove that they reside in the same premises<sup>1</sup>.*

The manner of the distribution of land in the event of owner having more than one-land parcel has been tackled in Section 21 (5), though it still leaves margin for fraud to be committed by the residents and it would be naive to think that the people living in the settlement would not resort to fraudulently possessing the properties. Section 21 (6) leaves room for blood relatives of the owners of a property to have preference over the people who rent the properties. Since settlement status is illegal in nature, and as the very definition of residents has the word “unauthorised” attached to it, suggests that they do not possess any legal argument for their presence and in the eyes of law their status shall remain unlawful until such time that the land title has been allocated to them. It needs to be seen whether individuals already residing in the premises should also have priority in the allocation of units, as that is the basic rule for granting land title to the individual who moved in and encroached before the cut off date of 23<sup>rd</sup> March 1985. Section 21 (7) simply deals with matters arising from the death of the original occupant and allocates the lease document to the legal heirs of the deceased.

Two more subsections need be seen in light of the fact that most informal settlements have industrial and commercial establishments of various nature and scale. These are Section 21 (9) and (10).

*Section 21 (9): Industrial or commercial establishment (s) which produce environmental pollution shall not be regularised.*

*Section 21 (10): No industry which produces hazards to life and environments of the katchi abadi shall be allowed to be established.<sup>1</sup>*

The two subsections above give a causal definition of Industrial and commercial activities that shall not be allowed. Environmental pollution is a general term and no mention of the level or amount of pollution has been mentioned. This is ambiguous as most human activities are prone to causing environmental degradation. In subsection 10 it has been further specified that industries posing a threat to both human life and the environment shall be deemed unacceptable. One would want further elaboration on the issue as this could lead to unabated removal or eviction of livelihood possibilities, since there is no further explanation. According to Karachi Building and Town Planning By-laws, the Sindh Katchi Abadi Authority falls under the autonomous bodies which still have to follow the by-laws, and the general regulations for the whole city would be brought into place in the settlements. In the next section city by-laws are discussed and we can see from these the bias that might erupt due to them, particularly within the context of the informal settlements.

*Section 21 (15): In case the unauthorised occupant has no documentary evidence relating to his possession prior to 23<sup>rd</sup> March 1985, The Director or Deputy Director shall inspect the unit in question to assess the situation. He shall collect evidence from the residents living prior to 23<sup>rd</sup> March, 1985 and after making such enquiries on the spot decide such claims on case to case basis. If it is proved that the applicant is fresh encroacher, he/she may be served notices for removal of such encroachment otherwise the minimum market rate be charged according to the provision at footnote 4 of schedule C, of the Sindh Katchi Abadis Regulations, 1993.*

Above subsection helps define role of the Director and Deputy Director of the Authority, The main duties associated with the position are of administrative nature and to act as arbitrator. This helps in curtailing departmental corruption. In many government departments it is evident that rampant corruption prevails at the lower administrative tier. This can be curtailed if a decision leading to financial gains of any type by the resident is within the power of higher ranking officials.

Chapter VI deals with lease money and development charges. It is interesting to note that according to the regulations, as the size of plot (particularly residential and residential cum commercial) increases, the amount of lease money decreases as is visible from Appendix 3. But the overall cost if calculated would have drastically increased, for example, the lease for 80 sq. yds. plot would be around Rs. 2,000 while for a plot measuring 400 sq. yds. it would be Rs. 96,000. The point to be noted is the huge difference between the rates of residential and residential cum commercial land use. Since most of the residents in Informal settlements operate cottage industries and retail outlets and it has been made clear in Karachi Building and Town Planning By-laws that retail outlets come within commercial land use, therefore high lease rate would more or less be imposed on almost every single household. Secondly there is no provision for cottage industry as a separate category within the regulation, thus completely sidelining this activity. Although mention of industrial land use has been made, the lease charges are grossly high compared to residential rates.

One thing that would prove beneficial to the people is the chance of using their land as collateral or security to obtain loans from commercial banks, although it also states that any loan shall be for house building, Section 26 (1) states:

*Transfer of the lessee's right. (1) The lease shall be transferable to any person or agency and also by way of inheritance or mortgage to the House Building Finance Corporation, or a scheduled bank for receiving house building loans, as per Government policy subject to issue of no objection certificate by the Authority on application by lessee on payment of fees which shall not be less than Re. 1 per sq. yd. or as fixed by S.K.A.A. from time to time<sup>1</sup>.*

This rule clearly states that loans can only be taken out for the sole purpose of house building, and even for that, prior permission from the Authority is required. It suggests that individuals may not be able to get loans from commercial banks for other purposes. This includes trade and commerce and as such the land cannot be



considered as security on loans for this purpose. This closes the option of bank loans for commercial or industrial activities in the area.

To an extent the regulations follow the normal standards for zoning and the Authority has the implicit right to declare restrictions on land use, and may also enforce those regulations. The few subsections of Section 28 which bind the lessee to various other regulations prepared by other agencies are as follows:

*(1): The said plot and the structure(s) or building(s) built thereon shall be used for the purpose as per lease deed and shall not be used for any other purpose without the express and prior consent of the lessors in writing.*

*(2): If the plot(s) is required to be used for any other purpose than leased, the lessee should apply for conversion of the title of the plot, for which conversion charges fixed by the authority shall be charged.<sup>1</sup>*

The above two subsections clearly outline the legal status and use of the plot; when land is leased as residential land, no part of it shall be utilized for commercial activity. It is another thing about cottage industries as can be seen in the City By-laws.

The regulations also discuss the procedure for the removal of encroachments and ways to appeal against such actions. The appeal is to be heard by the Director General of the Authority and any decision made shall be deemed final. Thus there is no question of re appeal or taking the matter to court or the judiciary.

Final chapter deals with a wide variety of issues most noticeable is the indemnity against lawsuits as stated in Section 35:

*Notice of suit against the Authority.— No suit shall be instituted against the Authority or any member or any person associated with the Authority or against any*

*servant of the Authority or against any person or persons acting under the direction or authority of the chairman or any officer or servant of the Authority in respect of any act purporting to be done under the Act or the rules or regulations made therein until the expiration of two months from the delivery of a written notice at the Authority office.*

NGOs (Non-Government Organizations) are also mentioned in the same chapter under Section 33. The idea of a working partnership between the government and NGOs has been proposed. Similarly the financial classification of the up-gradation scheme has been mentioned in subsection 3, while subsection 4 outlines the use of regularization money.

*(2): Director-General may seek cooperation of Non-Government Organization(s) to facilitate regularisation and development programme wherever necessary. Technical support may also be provided to such Organization(s) who undertake development work on self-help basis.<sup>1</sup>*

*(3): All development or upgradation work shall be self-financing.*

*(4): In Katchi Abadis where any improvement in prescribed services is essential, development and regularization work shall proceed simultaneously. Income from regularization shall finance the development work, completing both the activities in fixed period. For this purpose cash flow charts shall be prepared and communities taken into confidence before starting the work.*

### **3.4 The Transfer of Property Act (IV of 1882)**

Both Sindh Katchi Abadis Act and regulations discuss about lease as a source of legal land tenure for the residents of informal settlements. Hence it becomes viable to define it. The concept of lease is defined within the Transfer of Property Act (IV of 1882) as:

*Lease defined: A lease of immovable property is a transfer of a right to enjoy such property, made for a certain time, express or implied, or in perpetuity, in consideration of a price paid or promised, or of money, a share of crops, service or any other thing of value, to be rendered, periodically or on specified occasions to the transferor by the transferee<sup>3</sup>*

### **3.5 Karachi Building and Town Planning Regulations 2002**

The jurisdiction of these regulations covers the whole of Karachi except the Cantonment areas and projects of national security. Thus in reference to Informal Settlements most cases would fall under the control of the Karachi Building and Town Planning regulations 2002. Although under special circumstances as mentioned under section 1.3 of above regulation “to meet emergency conditions and the requirements of person in the sub-economic group” exemption from the regulation is given but once the situation has stabilized the area affected reverts back to following the original regulations. This does help during the development process since during the development process slack from the regulations would help to bring in much needed relief. But once the law is re imposed what would the situation be? This becomes particularly important if the change has occurred in land use pattern. Effects of such a change need to be considered and the question that arises would be whether re-employing the code would be beneficial or whether the government must form a parallel code for such areas. As stated above, these regulations are not implemented in the Cantonment areas, which presently house a substantial number of the civic populace. Therefore, a parallel code would not undermine the regulations but under given circumstances provide a stable development climate.

Karachi's land is under control of various government and defence agencies. Apart from the Cantonment, the rest of the agencies have to follow these regulations including Sindh Katchi Abadi Authority – the main body responsible for the development and up gradation of informal settlements in Karachi.

The regulations deal with both building and planning work within Karachi. For the purpose of this thesis only the planning regulations directly affecting the informal settlements will be discussed. The regulation expressly defines its extent of authority over land development activities. The most important ones whose implications shall be seen later in the theses are mentioned below. They form part of regulation 3-3.1.2

- a) *A change in type of land use: a change from one designated class of use to a use in another designated class.*
- b) *A material increase in the intensity of use of land, such as an increase in the number of businesses, manufacturing establishments, offices, or dwelling units in any, structure or land*
- e) *Alteration of a shore, bank, or flood plain of a sea coast, river, stream, lake, pond or artificial body or water.<sup>4</sup>*

Where a) and b) are of particular relevance for the thesis as they govern the land use of the settlements. The nature of the informal settlements is that of mixed land use which is not disclosed by residents out of fear. The fear is grounded in the fact that if the actual land use is declared the residents would be charged the higher lease rate due to them being a commercial or commercial cum residential zone. Secondly subsection b) would govern any new land use or any change in the current land use of the area, making it a very important point to be noted in case of promoting alternative earning options within a domestic space, for such an action would definitely bring about a change in the land use of the area. Although in general these regulations act

for the betterment of the majority of citizens and are there to protect their right to peaceful living, in case of under developed area their validity can be questioned, especially if development is to be achieved on a self-help basis.

Land Development, according to regulations needs to have permission from the concerned authority, thus only licensed developers can proceed with the development. Generally informal settlement land development is more in terms of the division of land by private entrepreneurs or 'developers' for public sale. Under the regulation, all Informal settlements come within the bracket of illegal development even if it is division of agricultural land. Apart from a 'developer' holding a license, the development plan needs to be approved and the plan must follow general standards and area standards as well. General requirements for development permission as stated in the regulation are given below. From these requirements, we can see that informal settlements do not have grounds to be considered as legal and this is the point that is usually used as an argument against them during legal debates. The counter argument that can be presented is of the government's inability to provide the required housing, and to a lesser extent the issue of poverty and its eradication. Although both have their base in social context and are not sufficient for the needs of law, in some cases becoming a reason for eviction. Basic requirements that need to be established for development permission are as follows:

***3-3.2: General Requirement for Development  
Permission***

*No person or group of persons may carry out land development or permit land development without a valid development permit. The land development shall be in compliance with the requirements, restrictions or condition of:*

- 3-3.2.1 These regulations*
- 3-3.2.2 Any applicable detailed plan*
- 3-3.2.3 Any applicable general standards*
- 3-3.2.4 Any applicable land grant*
- 3-3.2.5 Any applicable sub-division plan; and*

3-3.2.6 *The conditions attached to a development permit.*<sup>3</sup>

Regulation 3-3.4 further clarifies that the proposed general land development should not alter or change land use nor should any major sub-division or amalgamation of property be carried out. Major in the sense that further utility provisions are added considering the development plan. This would include roads, infrastructure and other utility provisions. In the case of such general development plans, the authority concerned would be in a position to allocate a development permit. If the plan is of such a nature that it would be considered as major development then the MP&ECD (Master Plan and Environmental Control Department) has the authority to issue any permit.

Thus Katchi Abadi (Informal Settlement) development would fall under major Development Plan Criteria. Under the circumstances Chapter 18 of the regulation deals with subdivision of land and change of land use. There are certain minimum standards in the regulation for the smallest land parcel in a development scheme, but in case of Informal Settlements, the regulations leave that decision for the Sindh Katchi Abadi Authority or the authority under which the settlements come, but with permission from the Master Plan and Environment Control Department. Thus all major development schemes need prior approval from the MP&ECD. This emphasis has been repeated throughout the regulations handbook.

Another issue brought forward is the non-allowance of the change in land use of a residential plot. As stated in 18-4.2, *No residential plot shall be converted into any other use except with the approval of MP&ECD after the recommendations of the Concerned Authority.* Not only would one need prior permission but also as the second sub-clause explains justification for such a conversion and it would have to adhere to local planning criteria.

*18-4.2.2: The applicant shall apply and pay necessary fee to the concerned authority for change of land use of the plot with full justification, which shall examine the application in the light of the planning of*

*the area and forward it to the MP&ECD for consideration.*<sup>3</sup>

Thus the importance of the MP&ECD is brought to light. For this very reason it is suggested to form a parallel development policy and guidelines for up-gradation of informal settlements. As seen above, enforcing City By-laws (which are not enforceable in Cantonment areas, though they form a huge part of the city) on informal settlements would further deteriorate their chances of development, for it is common knowledge that land use within the area is of mixed nature. At the moment most of the occupants are going against the regulation. This also shows their reluctance to disclose their organizations to the government as not only can these enterprises be fined, but they can also be shut down thus losing their major source of income. In broader terms this means less revenue for the government since these enterprises are not registered with the state. Exploitation in terms of human rights, for they 'officially' do not exist, therefore cannot be provided with a legal umbrella for labour rights - culminating in child labour and other human rights violations. A restricted market narrows down their chances of expanding their businesses and restricts them to only informal markets. Although there is another regulation that can be used in favour of such setups, the definition of the words 'pressure for commercialisation' probably would not justify the exact nature and condition of the informal settlements.

#### **18.5 Commercialisation of plots:**

*18-5.1.1 Conversion of residential plot into Commercial shall be allowed only according to a uniform commercialisation policy formulated and revised from time to time by Master Plan and Environmental Control Department with approval of government and notified in Sindh Government Gazette on the basis of comprehensive study of various areas under pressure for commercialisation. Individual plots outside the policy will not be considered for commercialisation.*<sup>3</sup>



Thus the above regulation restricts the scope of commercialisation for it has clearly been stated that individual plots would not be considered. In case of settlements it is natural that if existing policy was taken into account only a handful would come forward to declare their properties true use. As these would be the exception to the general policy guidelines of the area, it is difficult to perceive how they would be allowed a land use change, unless there is a general indemnity for environmental friendly mixed land use, case of informal settlements would legislate for the future.

Chapter 19 of the regulations provides a detailed description of various land use (attached as Appendix 5). Although it does talk about the possibility of having land for mixed uses as its general clause 19-1.2 states:

*Where land includes mixed uses, the designations of the various uses classes may be combined as appropriate (e.g. "commercial-cum-residential").<sup>3</sup>*

The above does not prove that the government is giving permission of any sort. It only shows that the regulations seem to be open to the idea of mixed uses and therefore has formally given it a status of a sub category.

The various uses under the Residential ones (Appendix 5) are residential uses but strictly no commercial lodging, government uses, health and welfare, education, assembly uses (e.g. library cinema, theatres, concert hall, planetarium, aquaria, non sportive clubs, exhibition halls and exhibition grounds). The important thing to note here is that even commercial (trade) uses have been put under the Residential Use bracket, thus at least understanding the dynamics of a social set-up. Although these uses have been labelled as commercial therefore would need to be established on site explicitly marked out. Amongst the commercial uses apart from retail, the service industry is also taken into account. Following is the list of activities as chalked out in the regulation 19-2.2.6 as commercial:

*a) whole sale trade: sabzi mandi, fruit mandi, whole sale market.*

- b) *Retail shopping: including shops, shopping centres, department stores, bazaars, market and hawkers areas juma bazaar etc;*
- c) *Personal services: including barbers, hair-dressers, baths tailoring, shoe-making, laundries and dry cleaner;*
- d) *Catering: including restaurants, banquet halls, marriage hall/lawn, refreshment stalls, buffets*
- e) *Lodging: including hotels, motels and clubs providing lodging;*
- f) *Business offices including banks;*
- g) *Petrol stations, CNG station;*
- h) *Cyber Café etc.*<sup>3</sup>

There is another category that has also been added under the umbrella of residential uses and that is '*Residential manufacturing*' as has been defined in 19-2.2.11

*Residential manufacturing: those industries in which the process carried on or the machinery installed are such that it could be carried on or installed in any residential area without detriment to the environment or pleasant circumstance, features and advantages of the area as specified in Regulation No.25-6.1.*<sup>3</sup>

Although this does not explicitly define the use, it does give the enterprises and production units within informal settlements the benefit of the doubt. The extensive list in regulation 19-2.2.6 has already subtracted quite a few of these units but textile manufacturing could probably come within the bracket of residential manufacturing. There is one thing that would count against the informal settlement establishment i.e. use of adjective like *without detriment to the environment* and *pleasant circumstance*. No definition has been provided for the term *pleasant circumstance* thus leaving its explanation entirely upon the regulating body. In the case of informal settlements quite a few of these economic establishments produce by-products, which would not be found in a residential sewer, for example, dyes and chemical. There is to certain

extent noise emitted from such enterprises and without any standards defined it becomes the authority's discretion as to what they consider pleasant and non detrimental to the environment. Regulation 25-6.1 is about the planning layout of plots in terms of dimensions and the minimum requirements for a building. The regulation 25-6.1 redirects to regulation 25-1, which would give precise spatial requirements, apart from 25-1.9, which again refers to the restrictions on such enterprises

*25-1.9: No workshop for denting, painting or repairing of vehicles shall be allowed on commercial plots. In addition, a building intended to carry out dangerous and offensive trades, trades emitting obnoxious smell, factories and mills which produce noise, smell, smoke or other nuisance shall not be allowed to be constructed on commercial plots.<sup>3</sup>*

To a certain extent these regulation would form good environmental standards for developed localities or financially stable neighbourhoods where domestic enterprises are not a way of life, but for informal settlements these regulations are like a noose around the neck, that can be tightened at the whim of the authorities.

### **3.6 Conclusion**

The outline of governments stand in the shaping of legislature and regulations define not only Pakistan governments approach but also its process of achieving that target. Although government did initiate the process of the legalization of informal settlements and for the purpose established Sindh Katchi Abadis Act 1987, it still required a mechanism for the smooth development of the process. This brought in the Sindh Katchi Abadis Regulations, 1993. This leads on to the regulations that govern the development pattern at physical level.

Thus it can be deduced that Katchi Abadis Act initiated the process of development. Though the government on its own did not have much success in combating the growing housing issue, by legitimising parcels of land that had been occupied before

23<sup>rd</sup> March (in view of the conditions implied by the act) it took a leap in the development scenario. This legalization though did not discuss the ultimate issue of sustainability but it did form the foundation stone for further development.

Development on its own is not possible without the issues of security being resolved. Security forms a primary factor towards sustainability both physical and economical. The issue of security is not just about a defensive mechanism or a consistent flow of finance, it is about overall stability with regards to income generation and strengthening of social ties. Environment seems to have sidelined when it comes to matters of security but if looked at in more depth, environment forms a crucial part in this phenomena of stability. The analysis of legislative documents has helped to understand the balance that in the governments view it has achieved between environment and social matters. These legislatures particularly the Karachi Building and Town Planning Regulations and the Karachi Building Control Ordinance deal primarily with the environmental issues. Though it must be pointed out that each regulation on its own seems to have a particular motive. The Katchi Abadis Act and regulations deal primarily with the social strength of the housing sector mainly for the under privileged populace. The economic endeavours of these settlements, though not completely ignored, have taken a back seat in terms of these legislative documents. The town planning regulations are general by-laws for planning and construction within the city, and have no jurisdiction in cantonment areas.

Though the government has shown initiative when it comes to the regularization of informal settlements their true nature has escaped the premise of both the 1987 Act and 1997 Regulation. Both documents mainly discuss the functional procedure involved in giving the residents land title. The land use issue seems to be primarily concerned with housing. Although residents are given an opportunity to disclose their activities on a particular parcel of land the primary goal of the Act seems more towards providing legalised housing for people who are unable to afford dwellings in formal sector settlements.

For sustainable development these three components are important: environment, social and economic. In the case of Pakistan, residents are left to develop, their own areas meaning that the development cost must be funded from their own pockets.

This suggests that the 'social' component aided by the 'economic' part would produce a better 'environment'; a simple equation, SOCIAL + ECONOMIC = ENVIRONMENT. In the past people have proved that they are the most important actors in terms of development. The funds are, basically, their savings and their labour hours that are put into the development process; as far as technical knowledge is concerned, local experts funded by international donor organization pool their technical knowledge (international financial institutes usually give aid in the form of loans to the government). The main financial input is in the form of people's savings, which obviously comes from people's earnings. Thus it is important for these people to have a sound and stable earning capacity. Therefore the question is what are their earning methods? This is the point at which these regulations affect the residents. They are not just living but also providing services in the settlement, thereby making it self-sustaining. Their labour, produce and market are all within these very settlements. The dwellings they live in are basically small units of both production and retail. Yet the development plans have ignored this important aspect of the informal community. In the development plans these areas are treated as strictly residential.

## Reference

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<sup>1</sup> Ali H., Ali Z., *The Sindh Katchi Abadis Act 1987 and The Sindh Katchi Abadis Authority (Regularization, Improvement and Development) Regulations, 1993*, The Ideal Publisher, Karachi, 2000.

<sup>2</sup> Farani M., *Manual of Land Acquisition Laws*, Lahore Law Times Publication, Lahore, 2003.

<sup>3</sup> Janjua Z.I., *The Transfer of Property Act (IV of 1882)*, Nadeem Law Book House, Lahore, 2004.

<sup>4</sup> *Karachi Building & Town Planning Regulations 2002*, Government of Sindh Housing and Planning Department, 2004.

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<sup>5</sup> Ali H., Ali Z., *The Sindh Building Control Ordinance., 1979 and Karachi Building Control Licensing Regulations,1982 and The Sindh Regulation & Control (Use of Plots & Construction of Buildings) Ordinance, 2002*, The Ideal Publishers, Karachi, 2002.

<sup>6</sup> *Katchi Abadis in Sindh –Profile and Performance at a Glance*, Sindh Katchi Abadis Authority, Karachi, 2001.

<sup>7</sup> Ali Z., *Manual of Sind Local Government Laws*, Ideal Publishers, Karachi, 2003.

<sup>8</sup> Janjua Z.I., *The Registration Act (XVI of 1908)*, Nadeem Law Book House, Lahore, 2000.



## ***Chapter 4***

# **Research Survey**

### **4.1 Introduction**

#### **4.1.1 Background**

Informal settlements in question are facing both social and economic prejudice. The legal framework supports the development of such socially backward areas to a certain extent, but has not developed a long-term plan. Poverty also has a part in the plight of the people and the environment. The main goal of the research is to provide guidelines for the sustainable development of the informal settlements. In doing so, the hypothesis focuses on the economic potency of the area in general and individuals in particular.

The preceding chapters have attempted to develop a picture of the real situation. The survey discussed in this chapter gives an in depth understanding of the problems being faced by the informal settlements residence. Added to this the statistical data gathered from other surveys conducted by the Government of Pakistan and international organisations has been incorporated for a broader perspective

A crucial observation that the survey made was, the link between the development of the informal settlements and poverty within it. The analysis would also attempt to provide further insight into the observations that:

- Environmental improvement are dependent on financial prosperity,

- Social norms make it impractical to separate settlements from economic activities.
- For informal settlement development, end-user participation is necessary to achieve sustainability
- An appropriate legal framework and modifications to the existing rules and legislation would assist in the overall environmental development.

*Poverty is more than just the inadequacy of income, lack of tangible assets or the inability to fulfil basic and uncontroversial needs in terms of economic indices. The parameters of poverty do encompass, inter alia, social exclusion, lack of voice in decision-making, powerlessness in political discourse, inaccessibility to equal opportunities for individual and group development, real or perceived inferiority (rooted in historical perspective or stemming from skewed policies), vulnerability to exploitation or abuse and impairment of the ability to ensure judicial redress.<sup>1</sup>*

The analysis of data requires a link between the various fields and hypotheses. In an attempt to understand the parameters of sustainability, a variety of checks had to be conducted to get user input. Parameters were established to understand the social, economic and environmental conditions. These parameters included personal information, informal settlement condition, financial status, earning capacity etc.

To understand the ground realities, a grass-roots level survey was carried out to have fresh data for the research. This survey highlighted three major parts of sustainability and was devised to help understand the social, economic and environmental levels and perceptions in the Urban Informal communities. For analysis purposes the comparison between the two cities has been divided into the three major sub-headings: social data, economic data and environmental data. Emphasis has been given to the economic perception data because the output of the research depends on it extensively.

### 4.1.2 Chapter Outline

The chapter deals mostly with the data collected for the thesis. Other sources have been used and have been quoted where appropriate. As this section is dealing with the analysis of raw data and this raw data is used to investigate the hypotheses, the following structure has been adopted to make the data comprehensible: first, there is a brief introduction for different types of economies and developments of the given settlements. This sets the stage for the inclusion of the data from the survey. The survey has been carried out within informal settlements with people who own and work in enterprises as main target group. The survey comprises:

- Demographical data
- People's reasons for being within settlements
- Nature and Type of Economic Enterprises
- Credit Availability
- Labour
- Market

Nature of enterprise, credit facilities, labour and market are the four facets of economic data that affect the sustainability issue within the informal settlement hence it was deemed vital to include them in the survey

### 4.1.3 Types of Economies

Three major types of economies function within Pakistan: agricultural, informal and formal. Urban areas are dominated by informal and formal economies. Informal economies are usually concentrated within informal settlements. The SPDC survey has defined the different components of the informal and formal comparatively (Table 4.1 and Table 4.2). The main typologies defined are:

Agricultural Economy	Informal Economy	Formal Economy
Limited market transactions	Mostly market transactions	Mostly market transactions
Transaction in cash or by barter	Transaction mostly in cash	Transaction mostly through cheques
	Limited use of cheques	Limited use of cash

Table 4.1 SPDC Observations

Informal Economy	Formal Economy
Small-scale manufacturing	Large-scale manufacturing
Construction (private)	Construction (public)
Road transport	Mining and quarrying
Wholesale and retail trade	Electricity and gas
Ownership of dwellings	Railway, air transport and telecommunications
Services	Finance and insurance
Illicit activities (smuggling, drug trafficking, etc.)	Public administration and defence

**Table 4.2 SPDC Observations**

From the 'share of employment' table (Table 4.3 and Table 4.4) below it is visible that after agriculture, an informal economy provides much-needed job opportunities. Over the years the opportunities have been increasing and this increase is attributed to the migration trends from rural to urban areas. Job opportunities within the formal sector have grown only 1% from 1980 to 1989.

Share of Employment in Agriculture, Informal and Formal Economies				
Years	Agriculture	Informal Economy	Formal Economy	Total
Shares (%)				
1980-81	53	37	10	100
1989-90	51	38	11	100
1997-98	45	44	11	100

**Table 4.3: Pakistan Economic Survey**

Years	Agriculture %	Informal Economy %	Formal Economy %	Total %
1980-81	31	42	27	100
1989-90	26	45	29	100
1997-98	25	47	28	100
1998-99	26	46	28	100
<b>Growth Rates (%)</b>				
1980's	4.0	6.9	7.6	6.1
1990's	4.5	5.3	4.2	4.8

**Table 4. 4: Share of Economy: Pakistan Economic Survey - (SPDC Compiled)**

The cases of both Karachi and Faisalabad have been discussed by A. Hasan, who has made an important observation in his research: the concept and role of the *middleman economy*. The exploitative nature of this mode of economy cannot be denied, but for the urban poor at times this middleman is the only source of credit. The provision of much-needed credit finance and the source of petty contracts are of vital importance. The middleman acts not just as a creditor, but as a marketing manager. Most of the professions and enterprises in the settlement rely on the middleman. In addition to the much-needed credit, at times the middleman provides raw material, machinery and equipment, as well as marketing and training facilities.

Poverty is related to the income generating capacity of households. To alleviate poverty the sources of income, which are the small enterprises need to be protected. Pakistan's poverty figure shows an increasing trend and hence the causes of poverty need to be dealt to pursue the target of sustainable development.

*... the percentage of population below the poverty line increased from 18 per cent in 1987 to 34 per cent today (2003).<sup>2</sup>*

*Not only has poverty increased, but the inequality in the distribution of income in Pakistan has also increased significantly. Income inequality measured in terms of the Gini index for Pakistan as a whole has increased from 20.19 in 1992-93 to 26.85 in 1998-99. In urban*

areas, income inequality which was relatively higher to start with has increased more sharply compared to rural areas. For example, the Gini index for urban areas of Pakistan has increased from 31.7 in 1992-93 to 35.96 in 1998-99. In rural areas it has increased from 23.89 to 25.21.<sup>2</sup>

#### 4.1.4 The Settlement Development Pattern

At the initial stage, the settlement's economic base needs to be consolidated and also generate funds for individual family units to sustain themselves. Usually, these settlements in earlier phases comprise family units searching for cheap shelter. Once the shelter problems are resolved, the settlers work towards strengthening their financial base by establishing small enterprises within domestic spaces.

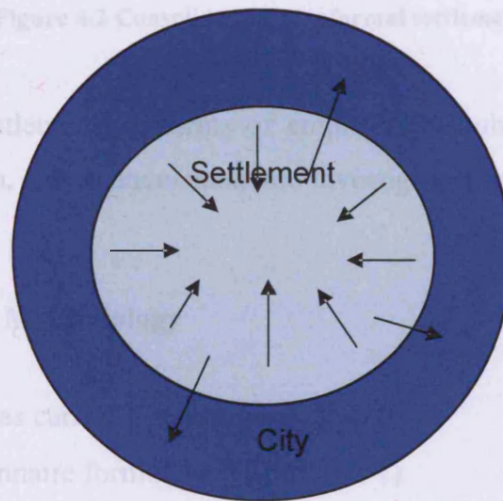
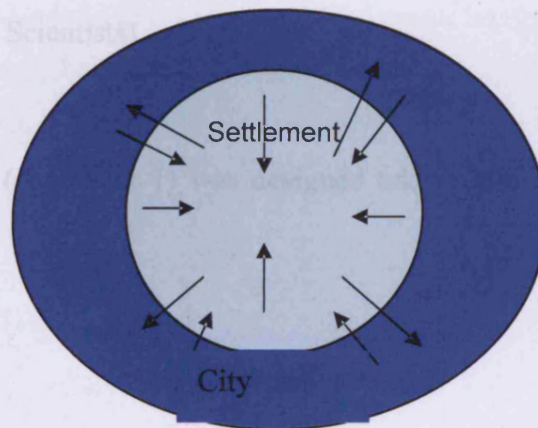


Figure 4.1 Initial phase of informal settlement development.

The two cities, if compared, help us to postulate the development model for the process of the settlement. At the start (Figure 4.1), a small number of people work outside the settlement and bring in the finance which is utilised by the settlement for acquiring day to day goods and amenities. This circulation of funds helps in forming amenity and service industries within the settlement. The formation of such retail and service industries in turn help in the consolidation of production industries, which mostly are home-based. As the settlement becomes self-sufficient (Figure 4.2),



market tendencies force it to expand its trade and economic sphere: small industries (textile, pottery, bangles, jewellery, construction material etc) start working for the main contractors established within the city's main markets. This brings in more capital to the informal areas, thus increasing the quality and quantity of other related industries.



**Figure 4.2 Consolidation of informal settlement**

The importance of settlements in terms of employment hubs has been the primary concern of the research, and to understand and investigate it the survey was designed.

## 4.2 Research Survey Methodology

### 4.2.1 Sequence

The research survey was carried out in following steps

- Survey questionnaire formulated (Appendix 1)
- Initial field visit by researcher, which turned out to be unsuccessful due to
  - Language of questionnaire being in English
  - Being an 'outsider' in the eyes of informal settlement residents
- Revision of field visit results
  - Questionnaire translated in Urdu (Appendix 1 – translated questionnaire)
    - Change in few questions due to local demands
  - Networking with local organizations working within the communities and with their help identify the team that would aid in getting the information.



- Hire a local team of individuals residing within the informal settlement
- Training the team for collection of data.
- Visit with the team to check the data collection process
- Survey carried out.
- Analysis of the collection data through SPSS computer package (Statistical Program for Social Scientists)

#### **4.2.2 Questionnaire**

The survey questionnaire (Appendix 1) was designed taking into account the three factors of sustainability;

- Social
- Environment
- Economic

It was understood from the very start of the research that raw data would be required for the project. Hence a questionnaire was considered as a probable mode. Although it was taken into account that the questionnaire could not be posted unless a visit to Pakistan was envisaged.

The above mentioned questionnaire was designed in English which proved a hurdle during field work as the majority of the population was unable to understand had no idea as to the content of the paper. Therefore it was considered necessary to translate the questionnaire into Urdu which is the national language of Pakistan. The translation process was tedious as few questions had to be altered.

#### **4.2.3 Observation**

To understand the working economic activities within the settlement 8- 10 households were visited accompanied by members of the team. This helped in observing;

- Types of economic activities within informal settlement and its location.
- Use if income generated by the economic enterprises.
- Understand role of middleman.
- Importance of economic enterprise within a household in terms of working members.
- Level of insecurity in giving any information about economic activity.

These observations helped in understanding the role and importance of economic activities within the informal settlements. Also the affect they have in terms of environmental factor was seen at first hand.

These observations helped towards understanding the working dynamics of economic enterprises and their relationship with not just the environment but the overall survival of a strong social network existing within informal settlements. Although there is insufficient space to describe what was observed in detail, but the some of the observed facts have been captured through photographs included in chapters 1 and 2. They describe the nature of work, the work space within the residence and within the informal settlement

#### **4.2.4 Conduct of Survey**

The survey was designed to understand the actual conditions of the residents living in informal settlements. The questionnaire contained (Appendix 1) both qualitative and quantitative questions. The underlying reason for its mixed approach was the huge geographical area that would need to be covered and hence it would not be possible to reach the target group again. The survey was devised in a manner as to get maximum information from an individual. It was broken up into sections, starting from personal details and building up to the information about income and other earning modes. It was designed as such so the target group might not get apprehensive from the start and deny being part of the survey.

Survey planned comprised of questionnaire. It was understood from the very start that only a single interaction would be possible between author and the target group, hence the form had to be comprehensive. The survey form included both demographic parameters and financial and investment parameters. Qualitative and quantitative methods were adopted in arrangement of the questionnaire.

#### ***Target Population***

The main target population of survey would be the residents of informal settlements within the two chosen cities. It was the aim of the survey to achieve a balanced response from both male and female residents. On site this became difficult due to

cultural norms: female members were hesitant to respond or even talk in the absence of male members of the household. Hence the survey has more male views than those of females. To get the response from the male residents a network of local people was employed to build confidence. This confidence-building effort was vital for the response rate. The economic enterprises within informal settlements are illegal and hence residents do not wish to disclose their activities for fear of harassment. In terms of age a cross-sectional group was targeted to understand the history of settlement and the reasons for moving into it by an individual.

### ***Target Areas***

The target areas as stated earlier were two main cities in two provinces of Pakistan. The main emphasis was to gather a cross-sectional research group to find out views across the social strata. In Karachi and Faisalabad, members of the community were taken into confidence. This confidence-building was essential as the type of data being collected was considered of sensitive nature by the residents. Initial attempts by the author to do the data collection without any help from community failed and hence local people were hired.

### ***Field Work***

Second stage of research included fieldwork in Pakistan. In Pakistan it was felt that various actors played an important role in the development of informal settlement. Networking was needed to get in touch with them and also to observe their working within the informal settlements. To understand the development pattern contacts were established with local experts in the field and government officials. Personal and academic links proved to be helpful in this matter. References from non government organizations heads and particularly from Orangi Pilot Project-Research and Training Institute proved most helpful. Both Karachi and Faisalabad surveys were organized through the help from this particular non government organization.

Since the research was relying on settlement development pattern, site visits of different settlements representing the conceptual development patterns. For site visits and understanding of the working of agencies responsible for the planning and

development, network was established with both government and local non government organizations. In this regard contact was made usually with the director of the establishment as with their approval the lower government officials would cooperate. Visits to Khuda-ki-Basti were arranged by Director Sindh Katchi Abadis Authority and Lyari Resettlement Scheme at Hawkes Bay was arranged by Director Master Plan and Environmental Control Department. Visit to Orangi and adjoining areas was arranged by chairman and director Orangi Pilot Project-Research and Training Institute.

Next task was to gather data on legal standing of settlements. Both government and non government organizations were helpful in locating the relevant policy documents legislatures governing their conduct, the main task was understanding these. Since legal understanding was lacking from authors part, extra law course undergraduate modules were taken at both Cardiff University and London School of Economics and Political Science. Apart from that meeting with barristers and solicitors was arranged to understand the phrasing of legislative documents and its impact under various hypothetical scenarios.

As mentioned earlier, survey was conducted with help from local non government organizations. Along side community activists and resident representatives were also taken into confidence and their help was requested in identifying the community members having economic enterprises in the settlement. Also to speed up the process of data collection team was hired and trained to conduct survey under the management of author. This eased the data gathering process as the team members were from local communities.

### ***Difficulties***

A few hurdles were encountered when the author went to Pakistan for data collection. The survey had to be impartial it needed input from various actors working towards the development goals. This included government officers, non-government organizations, local activists and residents of the settlement. The first practice was to establish a network. It was found that personal and family connections played an important role in finding and contacting the relevant people.

Language formed a barrier for the survey. The questionnaires that had been prepared were in the English language, and although government, banks and local residents did not have any problems reading the document, local residents found it difficult to respond. Hence the questionnaire for local end users (Questionnaire A) was translated in Urdu. This was thanks to a local activist, Mr. Naveed Basir who did not charge anything for the service considering that the author was a research student.

Being affiliated with international university proved both as a hurdle and a milestone. At certain places, particularly community-based organizations, it was expected that a foreign researcher would bring in funds and hence became an issue sometimes.

### ***Refusal***

The comparison of figures between Karachi and Faisalabad has been made to comprehend the process of development within the informal settlements in conjunction with the process of the overall development and expansion of the two cities. It has been noted that in the case of Karachi there were a large number of refusals for questions pertaining to economic activities. The main reason for the refusals may have been legal issues: tax evasion, theft of utilities (electricity, water etc.), or absence of legal papers; still the statistics paint a picture which help a researcher to understand the situation.

### **4.3 Secondary Source**

In assessing the situation it was important for the data to have validity. The sample size was relatively small (approximately 200 questionnaires) to evaluate the outcome. To mitigate the inaccuracies, as the entire urban area of Pakistan is to be considered, it was important to include other credible data sources. Of these, three have been selected:

1. Independent Author – Arif Hasan
2. SPDC – Social Policy and Development Centre
3. UNDP – United Nations Development Program – Pakistan National Human Development Report 2003.

The four data sets combined together form a more credible and concise portrait of the facts underlying the sustainable development issues of urban Pakistan. Another reason for selecting the aforementioned additional data sets is that the three represent the different facets or actors involved towards the goal of development. Mr. Hasan, a prolific author on urban issues and the Chairman of Orangi Pilot Programme, has extensive experience working within the informal settlements. The SPDC is a policy development institution and therefore can be considered an intermediary organisation. The UNDP, an affiliate programme of the United Nations, is an international development agency. As has been mentioned earlier, the salient factors defining the relationship of economic activities within the informal settlements and the environmental up-gradation were chosen from the above three data sources. This enables the reader to correlate all four data sets together. The perspective of the data sets has not been similar to the theses, but the relevant data has been filtered to make the analysis concise and it addresses the hypotheses. The analysis assists in the understanding of the appropriateness of the hypotheses themselves, and helps to formulate policy guidelines as the outcome of research.

## **4.4 Research Survey Outcome**

### **4.4.1 Demographical Layout of Surveyed Population**

The sample size is approximately 200 questionnaires, divided equally between Karachi and Faisalabad. The surveyed population was selected from across the two cities. It was so done to understand the viewpoints of people in both old and new informal settlements. The survey was made through a team that was hired and trained for the purpose. Because of the financial constraints, it was decided to keep the sample size limited to 200 questionnaires. It was also decided to survey households and individuals connected to economic enterprises within the informal settlements.

#### **4.4.1.1 Place of Birth**

The results from the Karachi survey show (Graph 4-1) that approximately 26% of the population of informal settlements were born there but the majority are immigrants from outside the city. Approximately 39% refused to tell their place of birth. The reason was not defined but the probability is that they are either illegal foreign immigrants or recent immigrants from different parts of Pakistan. During the regularization process the resident has to be living within the settlement before the cut off date hence the residents do not wish to disclose their places of birth, as it may affect adversely their right to possess properties within the informal settlement.

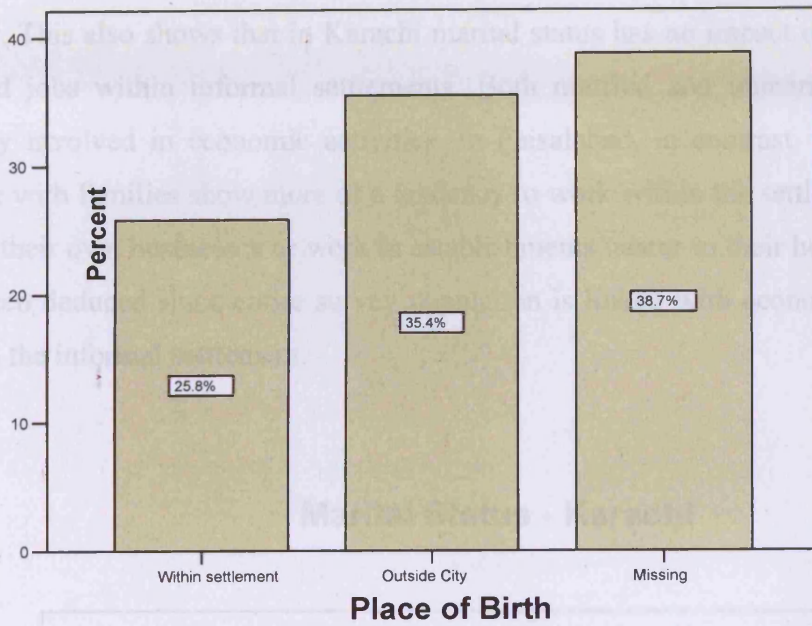
In Faisalabad the trend is reversed (Graph 4-2) approximately 40% were in the settlements within the city and same number were migrants from surrounding smaller towns or villages. This data shows that cities, irrespective of their size, attract immigrants. Larger cities, in this data Karachi, tend to attract more migrants than intermediate cities such as Faisalabad.



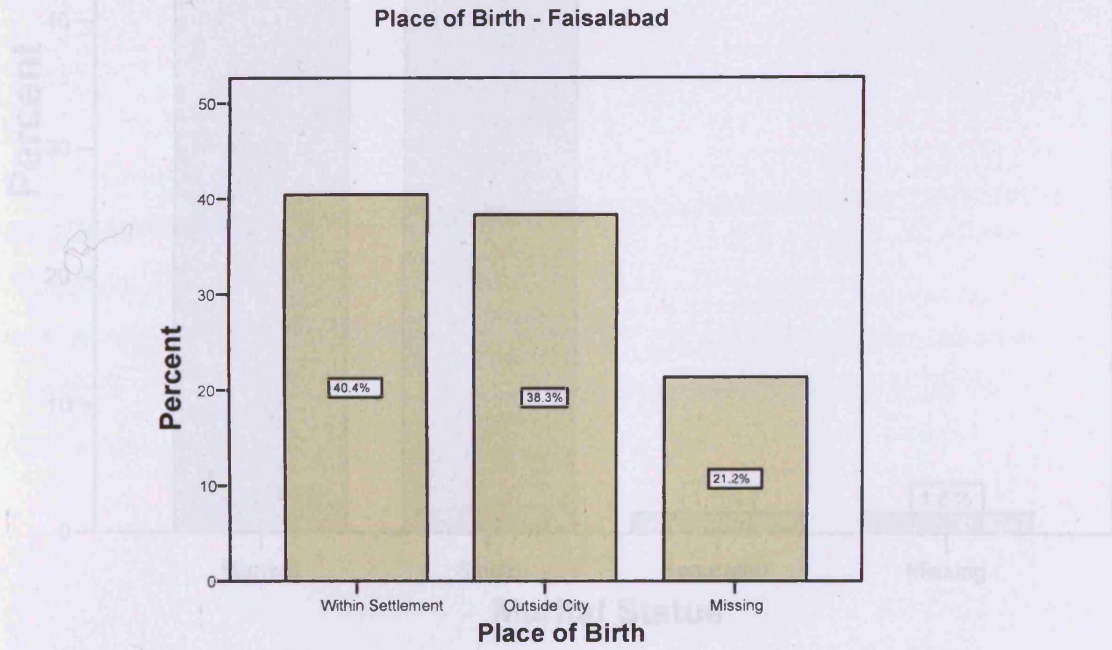
#### 4.4.1.2 Marital Status

In Karachi it is apparent that the ratio between married and single residents is equal. In Faisalabad (Graph 4-1) the ratio of married respondents is

higher. This also shows that in Karachi marital status has an impact on people trying to find a job within informal settlements. In Faisalabad, married people are equally involved in economic activities. In Karachi, most newly married people who are employed show more economic activity. In Faisalabad, people who are employed and have either the husband or wife engaged in business. This fact has been noted in the survey. In Faisalabad, most people are engaged in economic enterprises within the informal settlements.



Graph 4-1

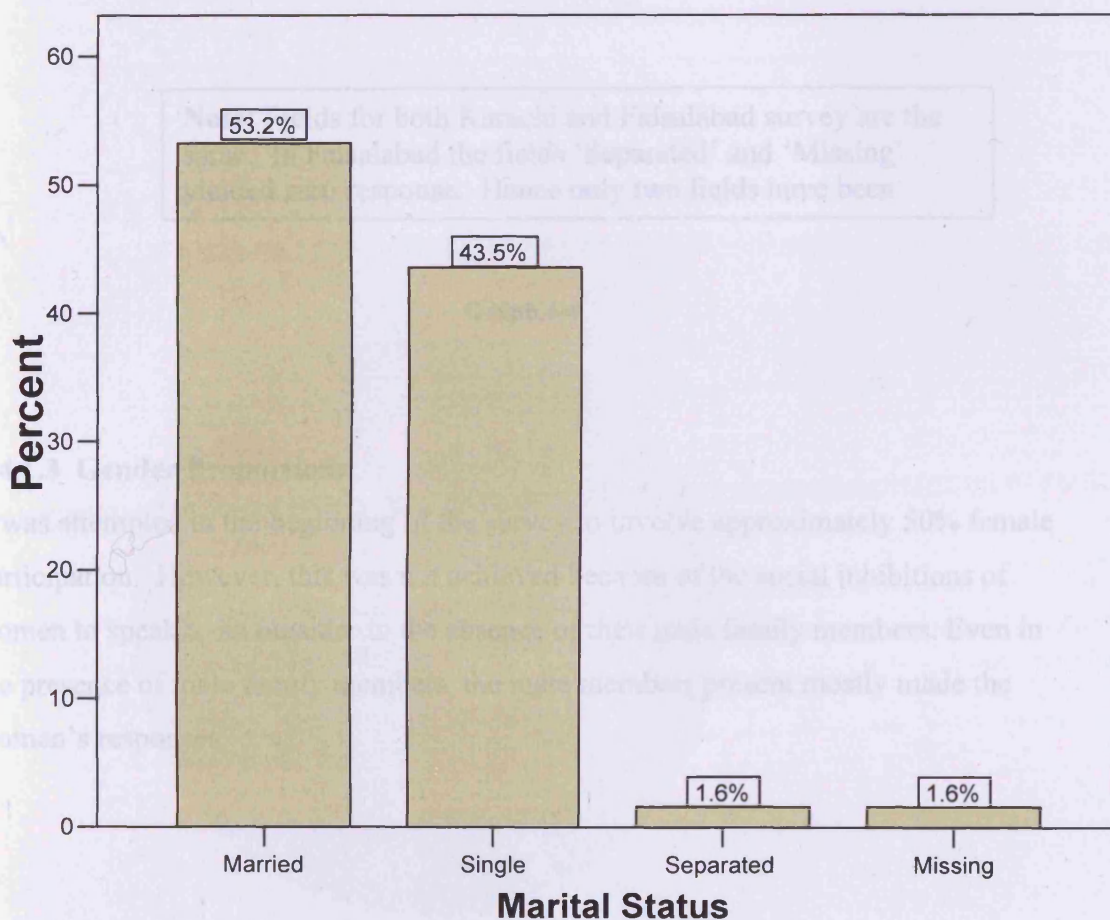


Graph 4-2

#### 4.4.1.2 Marital Status

In Karachi it is apparent from the data (Graph 4-3) that the ratio between married and single residents is equal. In Faisalabad (Graph 4-4) the ratio of married respondents is higher. This also shows that in Karachi marital status has no impact on people trying to find jobs within informal settlements. Both married and unmarried people are equally involved in economic activities. In Faisalabad, in contrast, mostly married people with families show more of a tendency to work within the settlement and have either their own businesses or work in establishments nearer to their homes. This fact has been deduced since entire survey population is linked with economic enterprises within the informal settlement.

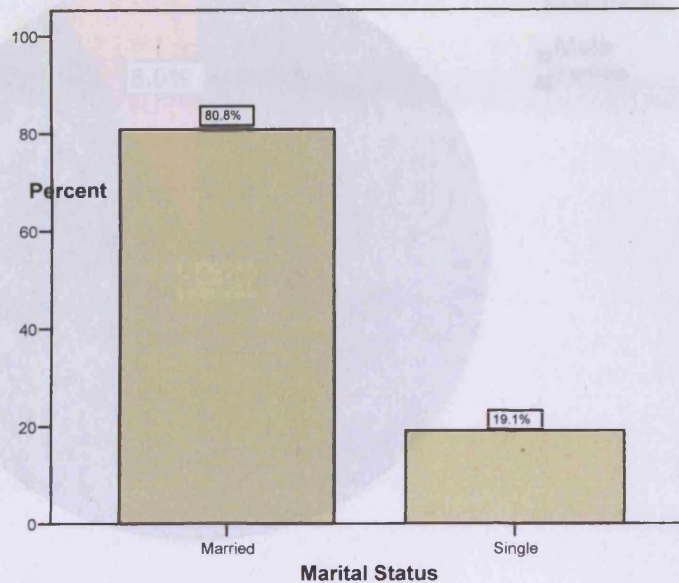
**Marital Status - Karachi**



Graph 4-3

Gender Proportion in Survey Population - Karachi

Marital Status Faisalabad



**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields 'Separated' and 'Missing' yielded zero response. Hence only two fields have been

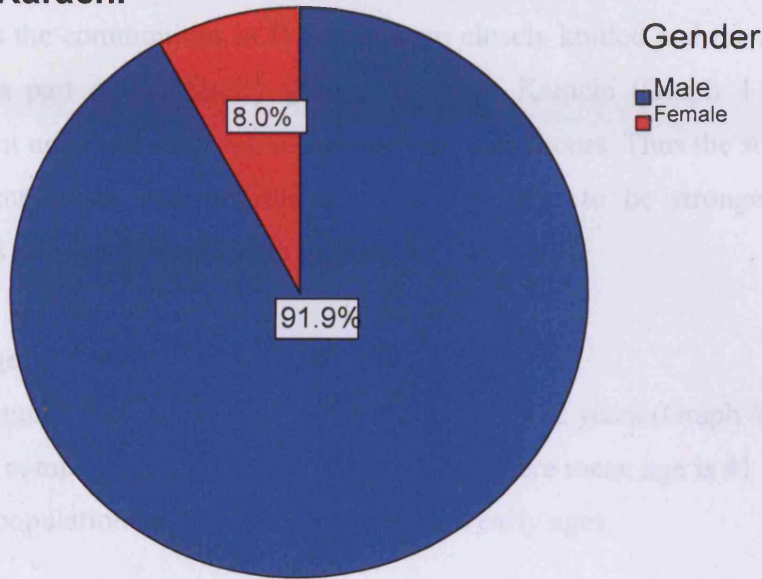
Graph 4-4

**4.4.1.3 Gender Proportion:**

It was attempted in the beginning of the survey to involve approximately 50% female participation. However, this was not achieved because of the social inhibitions of women to speak to an outsider in the absence of their male family members. Even in the presence of male family members, the male members present mostly made the women's responses.

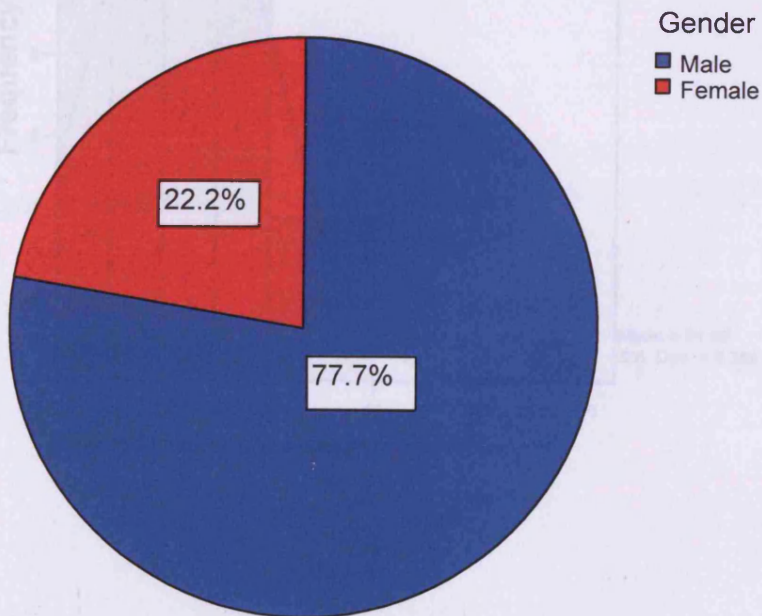


### Gender Proportion in Survey Population - Karachi



Graph 4-5

### Gender Proportion in survey Population - Faisalabad



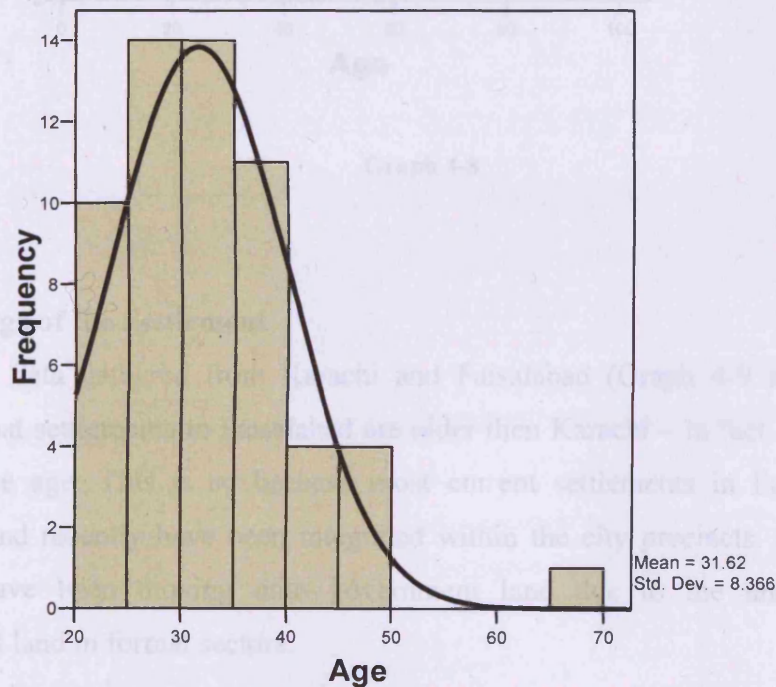
Graph 4-6

Hence a clear picture of their experiences or ideas is not possible to construct. In Faisalabad (Graph 4-6) it was possible to get 20% of women's views. This was possible as the communities in Faisalabad are closely knitted and the neighbours also comprise a part of the family groups, while in Karachi (Graph 4-5) families are independent units and there are fewer ties with neighbours. Thus the social bonding in a settlement of an intermediate or small city tend to be stronger compared to settlements in a megalopolis such as Karachi.

#### 4.4.1.4 Age

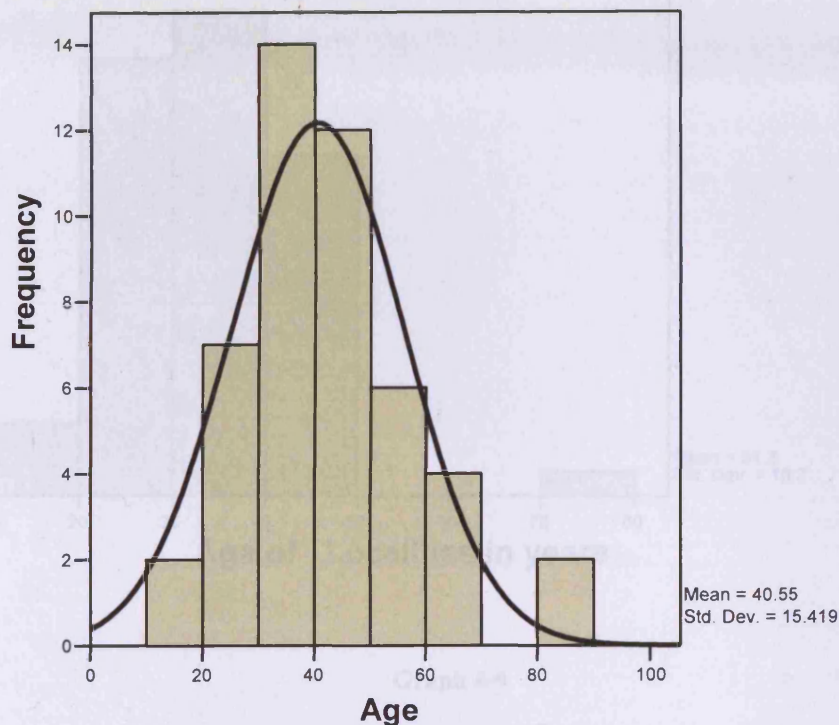
The mean age of the respondents in Karachi is about 32 years (Graph 4-7). This shows that compared to Faisalabad (Graph 4-8), where mean age is 41 years, Karachi's population tends to start businesses at early ages.

Age Histogram - Karachi



Graph 4-7

Age of Localities within Settlement - Faisalabad Histogram - Faisalabad



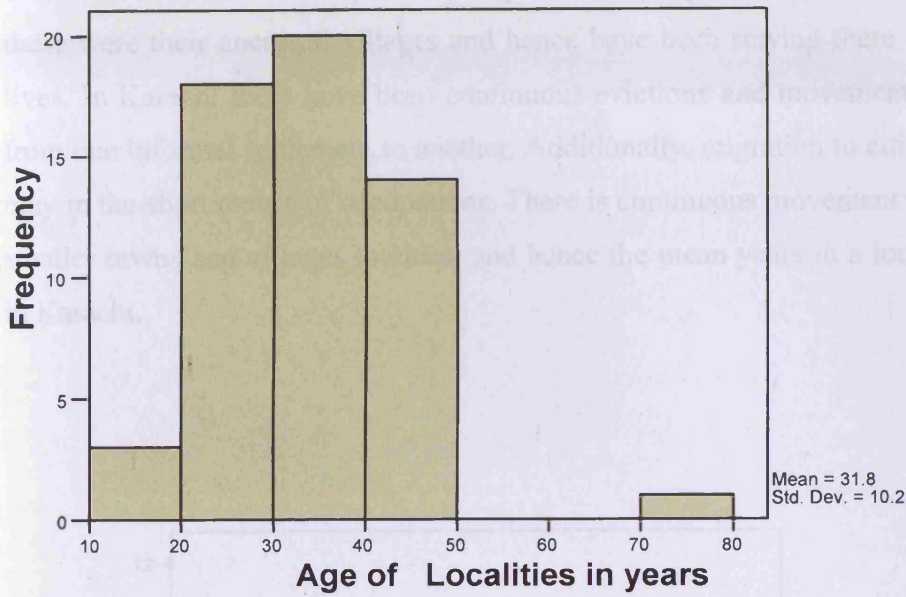
Graph 4-8

#### 4.4.1.5 Age of the Settlement

From the data gathered from Karachi and Faisalabad (Graph 4-9 and 4-10) it is evident that settlements in Faisalabad are older than Karachi – in fact, approximately double the age. This is so because most current settlements in Faisalabad were villages and recently have been integrated within the city precincts. In Karachi the people have been moving onto government land due to the unavailability of residential land in formal sectors.

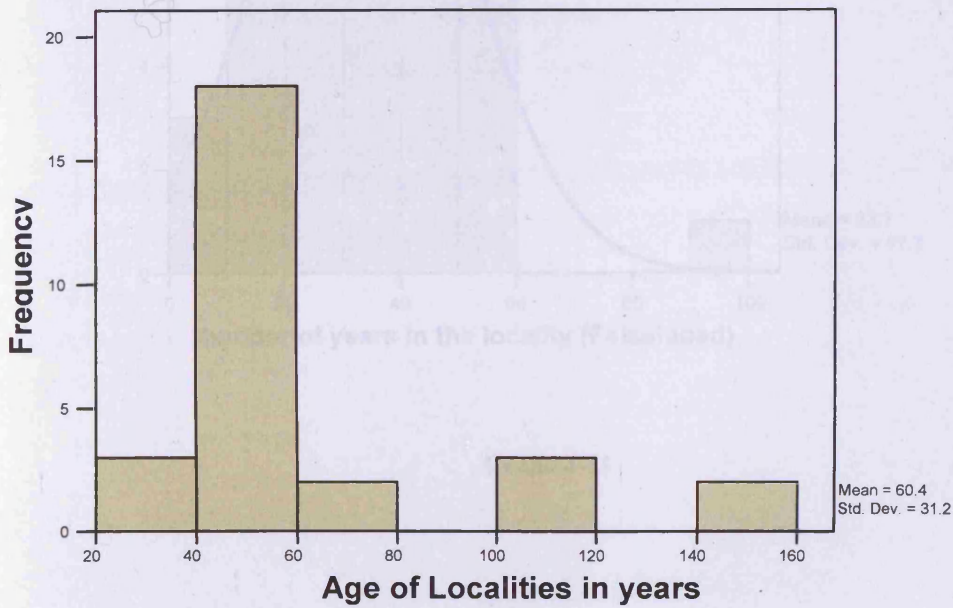


**Age of Localities within Settlement - Karachi**



Graph 4-9

**Age of Localities within Settlement - Faisalabad**

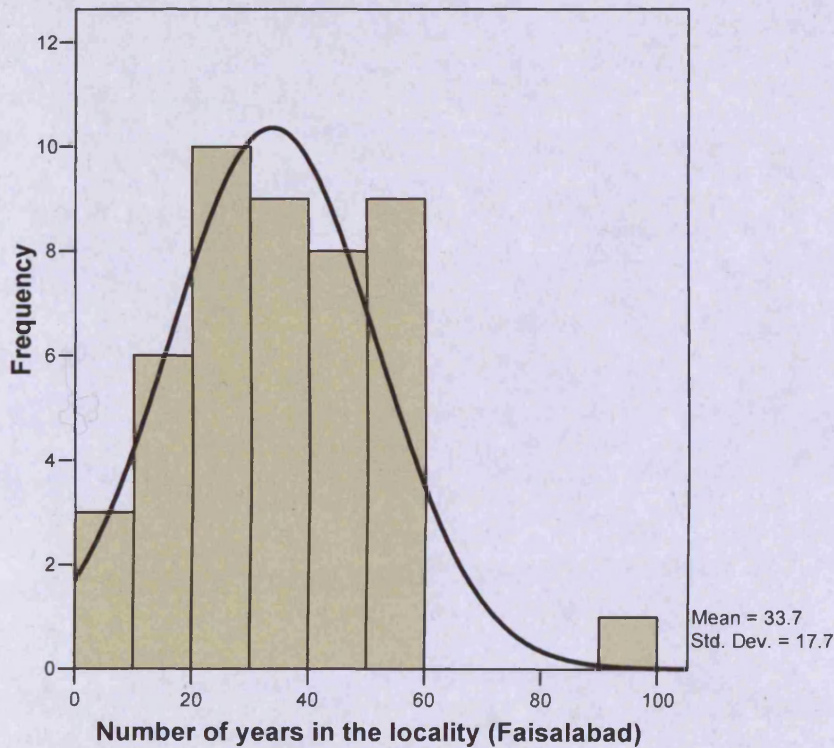


Graph 4-10

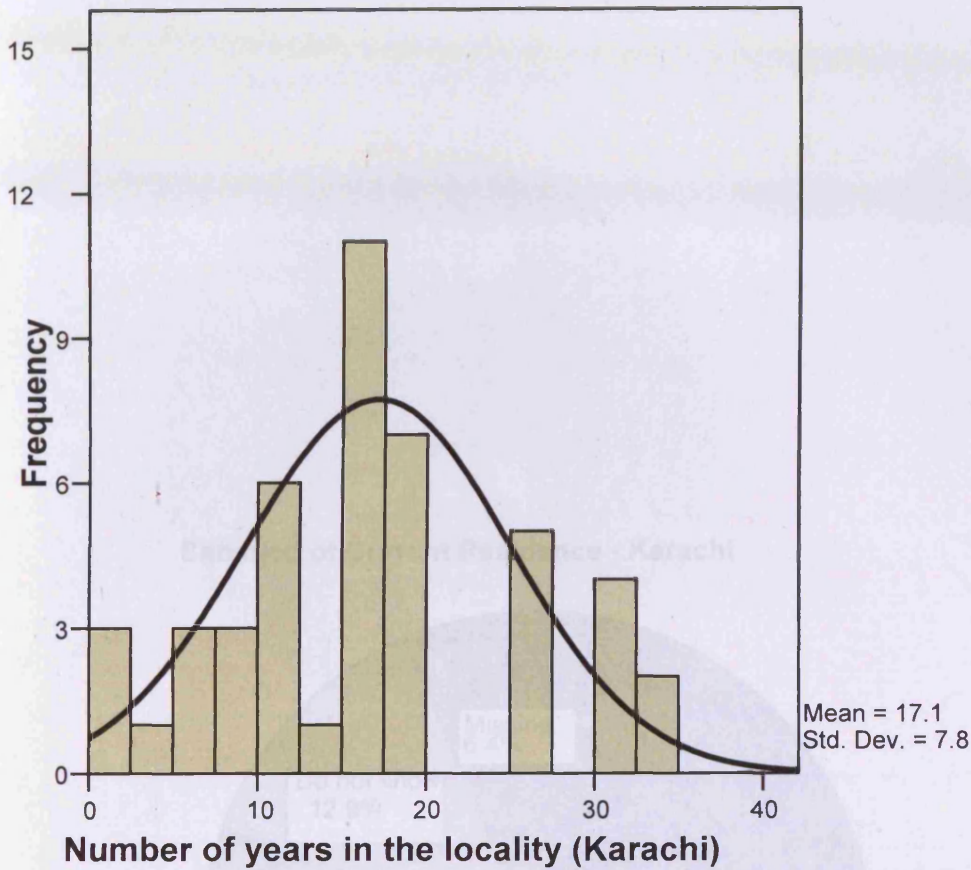


#### 4.4.1.6 Number of Years in the Locality

In terms of the residential time period, the Faisalabad (Graph 4-11) time scale is double that of Karachi (Graph 4-12). Again, most people were born in the localities as these were their ancestral villages and hence have been staying there for their entire lives. In Karachi there have been continuous evictions and movement of population from one informal settlement to another. Additionally, migration to cities has a part to play in the short tenure of occupations. There is continuous movement of people from smaller towns and villages to cities, and hence the mean years in a locality are lower in Karachi.



Graph 4-11



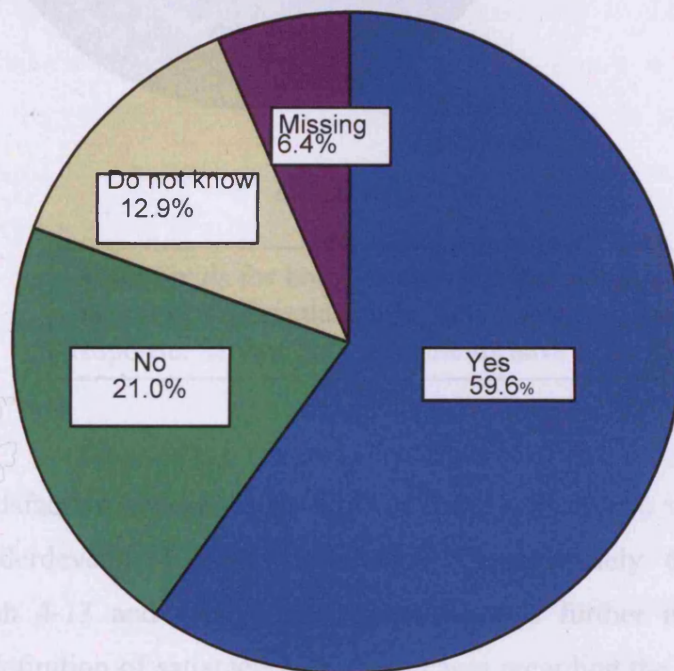
Graph 4-12

#### 4.4.1.7 Reasons for Residing in Informal settlements

It is necessary to understand the affiliation of residents towards their settlement, for the final plan and guidelines need to reflect the ideology and social interaction of the end-users. Both cities show certain similarities in terms of statistical data pertaining to living conditions and level of satisfaction (Graph 4-13 and 4-14); however, the similarity ends when it comes to the underlying reason because of which they are residing within informal settlements.

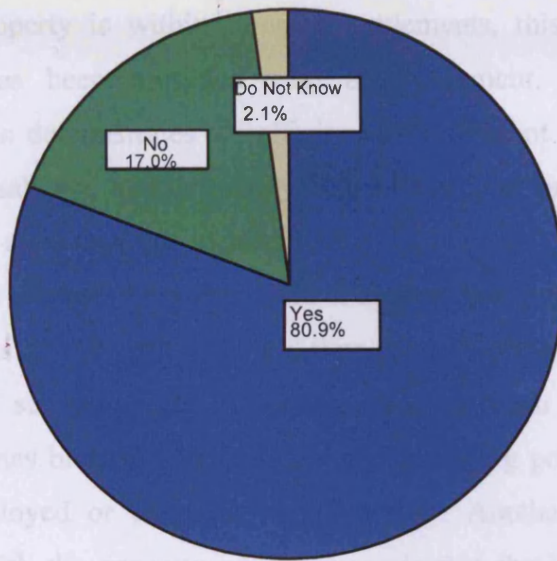


### Satisfied of Current Residence - Karachi



Graph 4-13

#### Satisfied of Current Residence - Faisalabad



Graph 4-14

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the field 'Missing' yielded zero response. Hence only three fields have been plotted

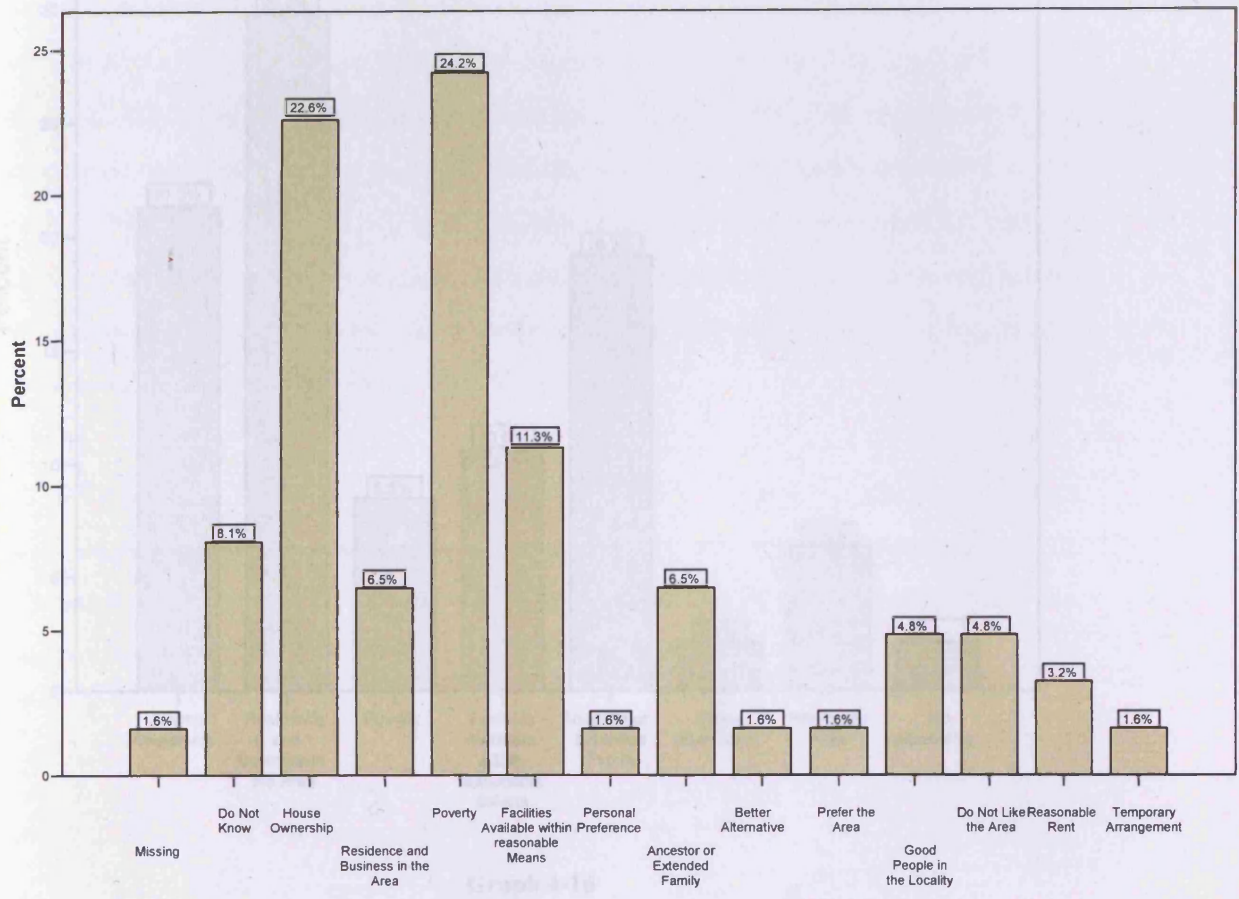
The level of satisfaction appears to be high in these settlements, whether they are informal or underdeveloped. Both cities show approximately 60-80% positive responses (Graph 4-13 and 4-14). This aspect requires further investigation. To understand the definition of satisfaction in these cases regarding the settlements, one has to comprehend it with consideration of the basic living standards in the settlements and the reasons for the residents' accepting those standards. The section has to be read in conjunction with amenities and their performance.

Residents of the settlements described their living conditions to be of an average level. The graphs for the quality of services that were used as tools to assist in judging the level are attached in Appendix 4. These results are based on the perspective of residents and give a clear picture of their preferences for different aspects of utilities and their importance to the residents.

One of the major reasons cited in consideration of each settlement is the ownership of property (Graph 4-15 and 4-16). Although 'ownership' is debatable in legal terms when the property is within informal settlements, this distinction fades once the settlement has been provided with a government lease. Possession of legal documentation demonstrates the affinity of the resident towards her or his domestic space. In Faisalabad, approximately 30% of residents prefer the settlement for their business and residence are located within it, while only 6% have expressed this in Karachi. This changes the picture, for it appears that more people have started to be employed outside the settlement and thus the settlement has integrated with the city. Although the second aspect of staying back has been stated as poverty, here the margin becomes blurred. Most of the people stating poverty as the main cause are either unemployed or own very small units. Another aspect is their emotional connection with the property on the grounds that the house has been an ancestral dwelling. Pakistan social structure is family-oriented, and there are strong ties between the generations and family heirlooms are treated as treasures and of utmost importance. The provision of amenities and utilities is another aspect, although from the amenities data it seems that most are not of good quality, but their existence is a strong initiative to stay back in the informal settlement. Also the acquisition of utilities is an incremental process, and this correlates with the earning capacity of the residents. Most residents in the area are daily wageworkers and their prime spending is for transport and food for themselves and their families. They do not have saving alternatives and cannot accumulate cash. The localised incremental or credit payments help them to fight the nexus of poverty and still get the most from their limited resources. A complete breakdown of the reasons governing their acceptance of the quality of life in the settlements is illustrated in (Graph 4-15 and 4-16). It demonstrates that apart from the major points stated above, social dynamics also play a pivotal role.



Preference towards the Locality within the Settlement - Karachi



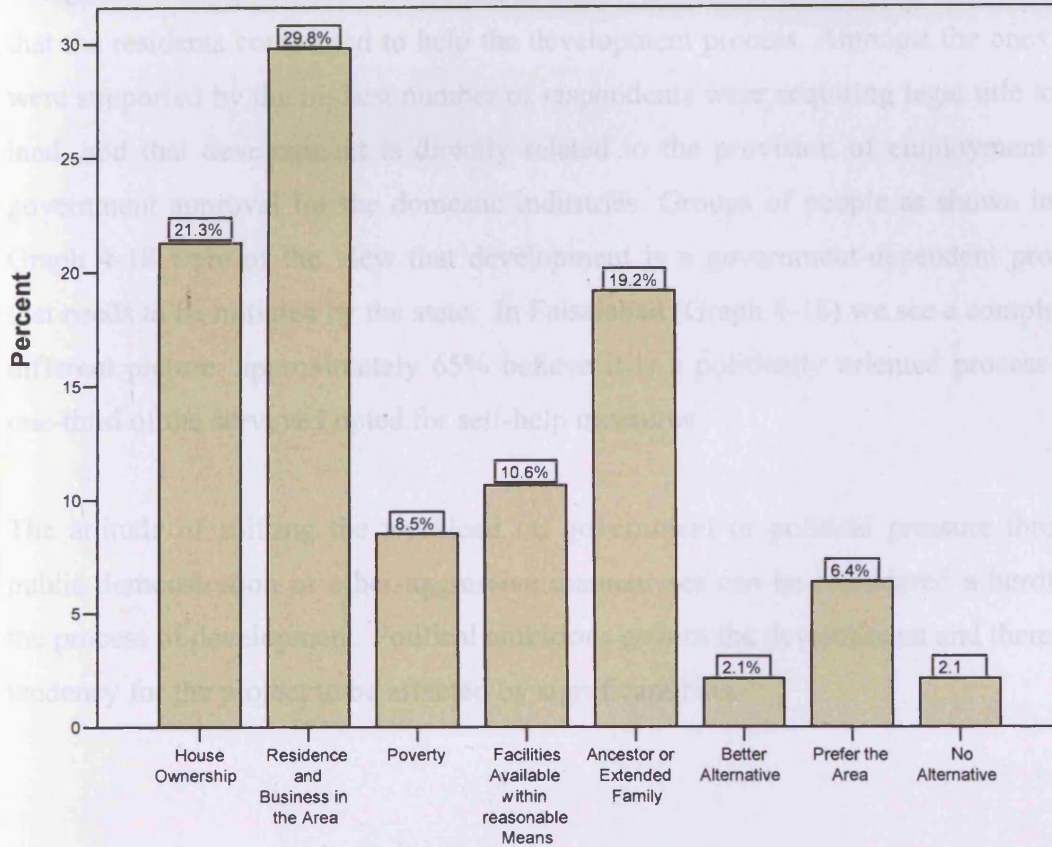
Note: It was an open ended question and hence different responses were invited to give their own description of the reasons. The responses show variation in case of Karachi and Faisalabad.

Graph 4-15

As the city grows in terms of population and large scale city-wide development and settlements emerge, the existing structures, changes begin to take place. This is the reason why there is a need for changes in Karachi and Faisalabad as the cities. For the changes to be effected various ways are involved. In the case of informal settlements, success stories have suggested that self-help based projects have higher success rates. This process of self-initiated development processes began in Karachi under the auspices of the Changi Pilot Project. To understand how changes can be brought about, the



### Preference towards the Locality within the Settlement - Faisalabad



Graph 4-16

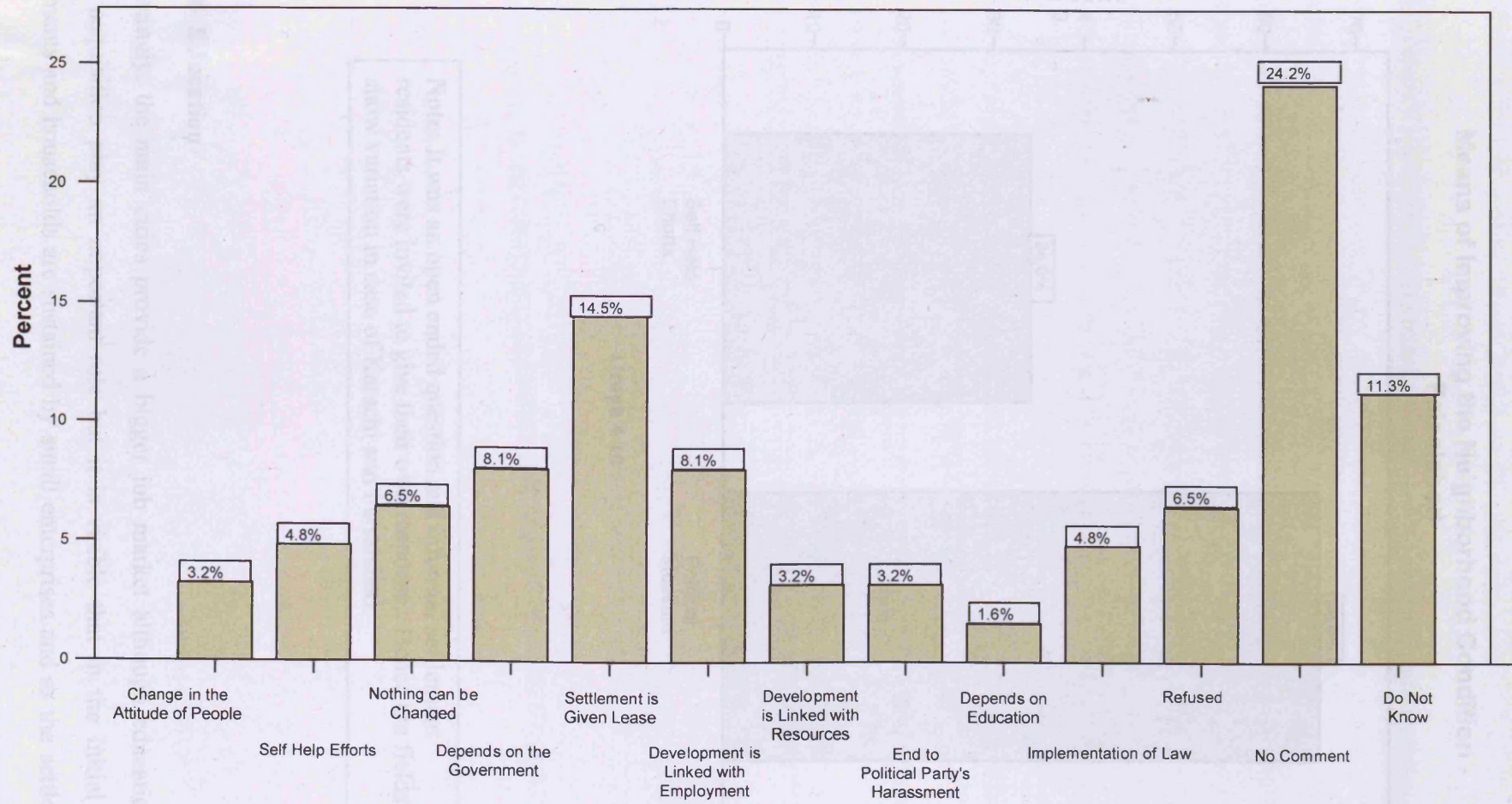
**Note:** It was an open ended question and informal settlement residents were invited to give their own response. Hence the fields show variation in case of Karachi and Faisalabad.

As the city grows in terms of population and large scale economic development and settlements embrace its working dynamics, changes begin to take place. This is the reason why statistics from Karachi and Faisalabad are divergent. For the changes to be effected various actors are involved. In the case of informal settlements, success stories have suggested that self-help focused projects have higher success rates. This process of self-initiated development processes began in Karachi under the auspices of the Orangi Pilot Project. To understand how changes can be brought about, the

feedback from residents in the two cities show different tangents of thinking. In Karachi (Graph 4-17), a variety of ideas was developed by the residents. This part of the survey was left open for residents to formulate their own thinking and no choice was given. The settlement in Karachi (Graph 4-17) demonstrated a variety of reasons that the residents considered to help the development process. Amongst the ones that were supported by the highest number of respondents were acquiring legal title to the land, and that development is directly related to the provision of employment and government approval for the domestic industries. Groups of people as shown in the Graph 4-18 were of the view that development is a government-dependent process that needs to be initiated by the state. In Faisalabad (Graph 4-18) we see a completely different picture; approximately 65% believe it is a politically oriented process and one-third of the surveyed opted for self-help measures.

The attitude of shifting the workload on government or political pressure through public demonstration or other aggressive manoeuvres can be considered a hurdle in the process of development. Political ambitions govern the development and there is a tendency for the project to be affected by significant bias.

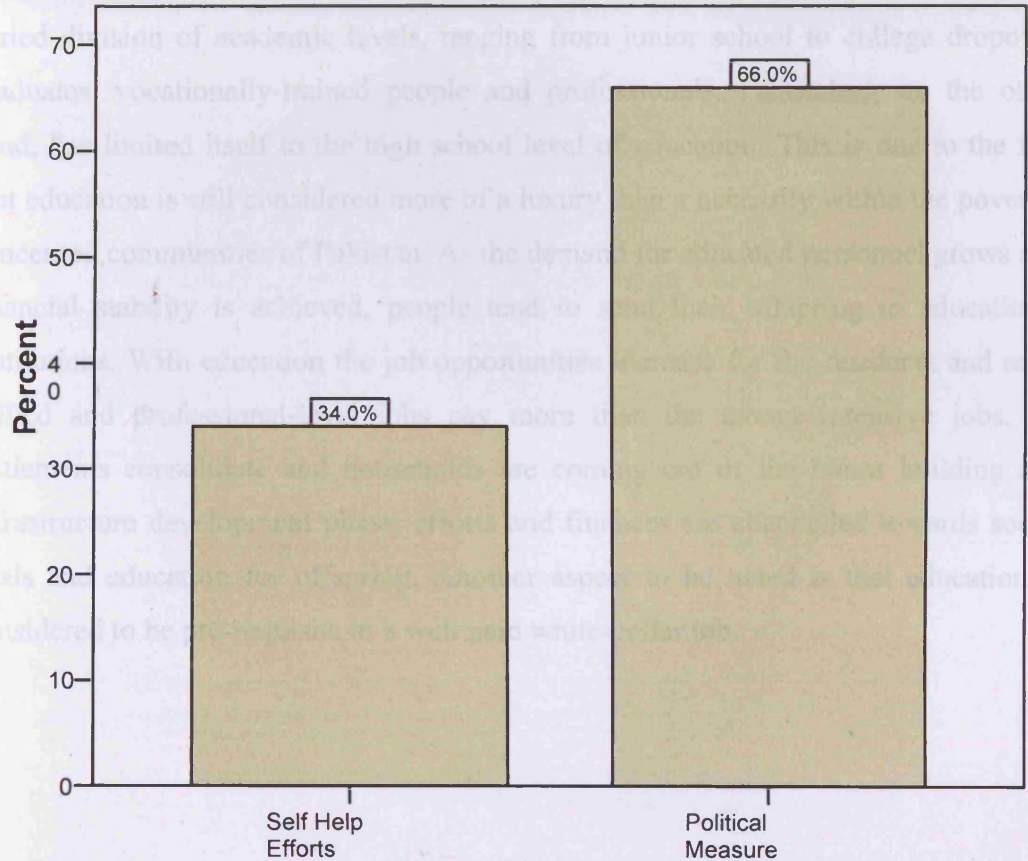
### Means of Improving the Neighborhood Condition - Karachi



Graph 4-17



**Means of Improving the Neighborhood Condition - Faisalabad**



**Graph 4-18**

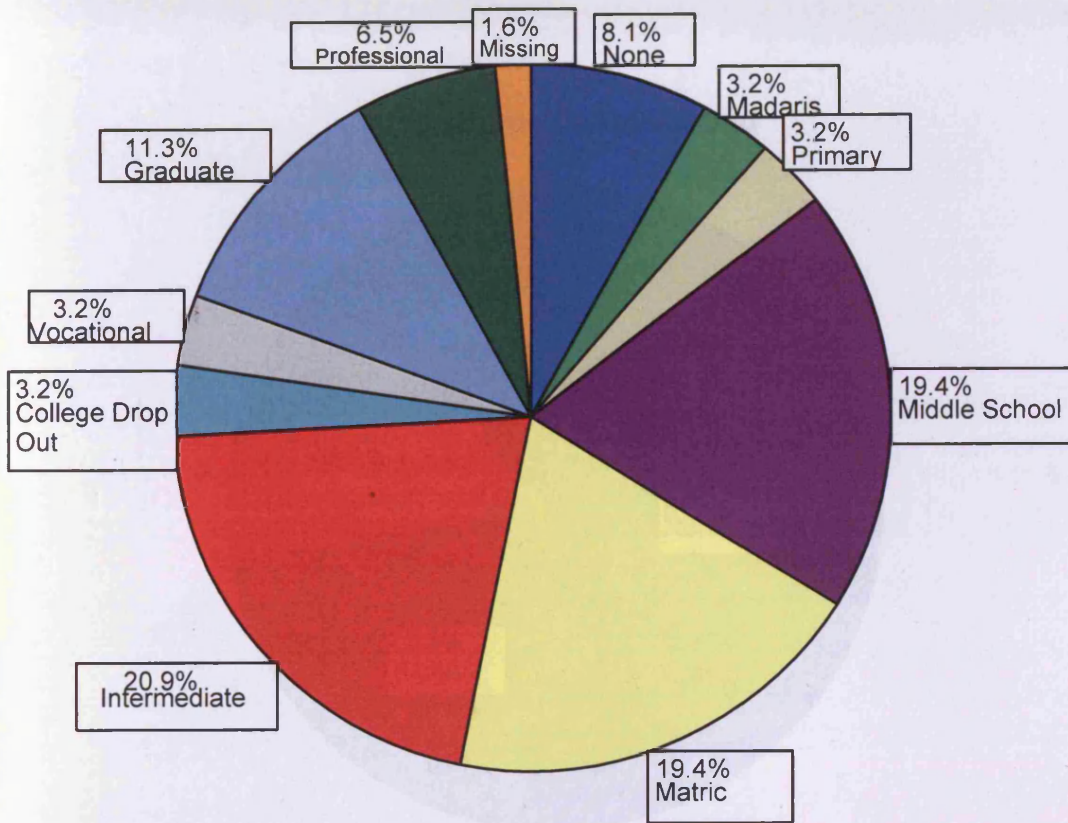
**Note:** It was an open ended question and informal settlement residents were invited to give their own response. Hence the fields show variation in case of Karachi and Faisalabad.

**4.4.1.8 Education**

Interestingly, the main cities provide a bigger job market although education and skills acquisition play an important role but it is visible that in the initial phase settlements and households are sustained by small enterprises and as the settlements

consolidate, the next generation has better opportunities. This explains the marked difference in the educational achievements in the two cities (Graph 4-19 and 4-20). While the rate of uneducated is only 8% in the Karachi settlements, it is approximately 51% in an intermediate city such as Faisalabad. Karachi shows a more varied division of academic levels, ranging from junior school to college dropouts, graduates, vocationally-trained people and professionals. Faisalabad, on the other hand, has limited itself to the high school level of education. This is due to the fact that education is still considered more of a luxury than a necessity within the poverty-concerned communities of Pakistan. As the demand for educated personnel grows and financial stability is achieved, people tend to send their offspring to educational institutions. With education the job opportunities increase for the residents and most skilled and professional-level jobs pay more than the labour intensive jobs. As settlements consolidate and households are coming out of the house building and infrastructure development phase, efforts and finances are channelled towards social goals and education for offspring. Another aspect to be noted is that education is considered to be pre-requisite to a well paid white-collar job.

### Education - Karachi



Graph 4-19

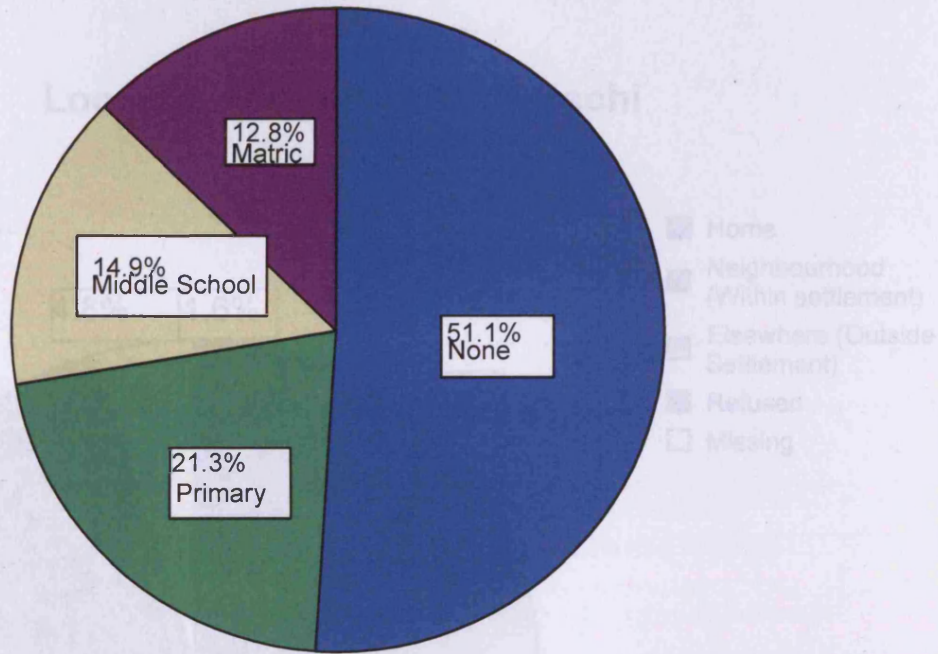
The overall rate of literacy in Pakistan is similar in figures to the Faisalabad figures. The rate of literacy for Pakistan as a whole was 46.4 % in 1999. This figure shows a slight improvement from 1990. The survey conducted in 1991 showed the figures to be 33.3%. Thus there had been a rise of only 16% in a span of nine years.<sup>2</sup> This demonstrates the fact that over the decades Karachi has developed and made its mark significantly to the rest of the country. Essentially, Karachi's is an urban issue, while intermediate cities such as Faisalabad have issues pertaining to *urbanisation*. The basic social factors need to be developed in order for the residents of informal settlements to move out of poverty concerned environments. Education does not necessarily guarantee a white-collar job, but it is a factor in the understanding and running of small industries. Any project initiated to develop the environment of



informal settlements not only has to integrate the economic factors, but also has to accommodate the social dynamics that are in a state of flux.

Approximately 19% of the total active population works within the settlement and 1.6% work within their homes (Graph 4.2). This demonstrates that the settlement in its own accord is a source of employment.

### Education - Faisalabad



Graph 4-20

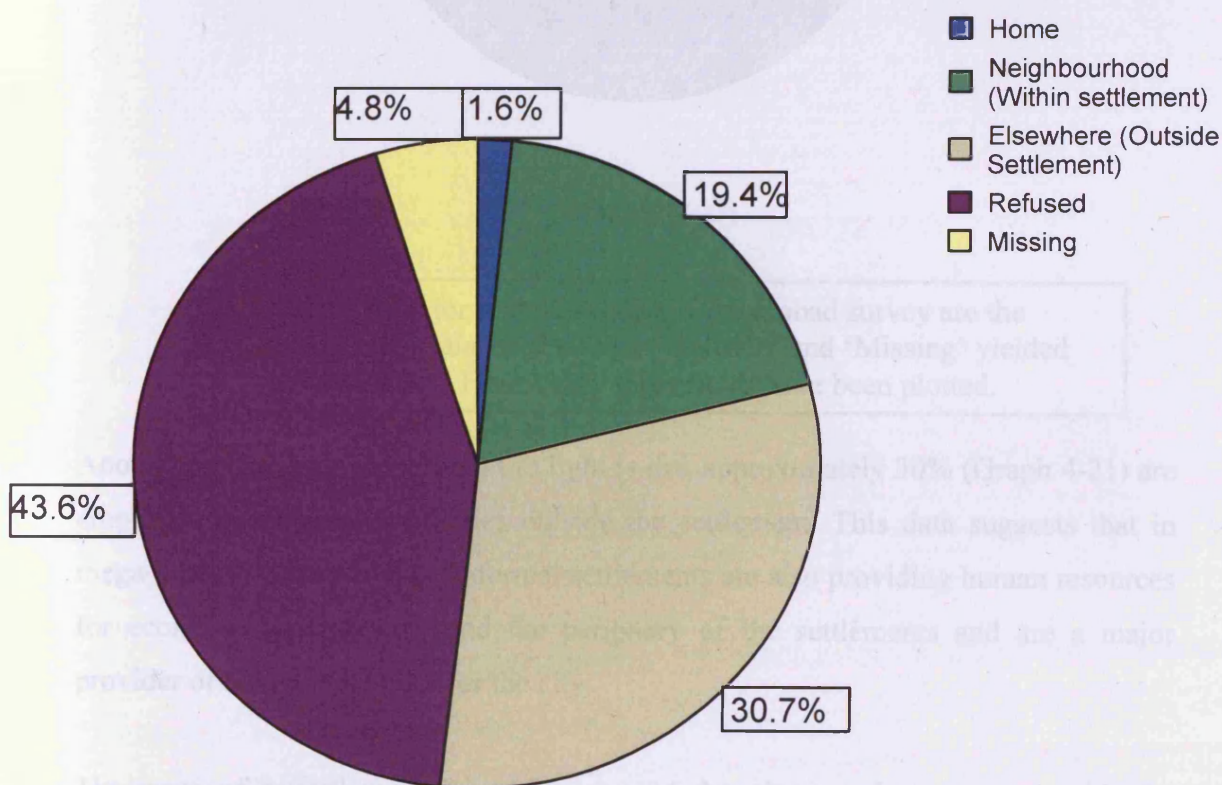
**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields 'Intermediate', 'College Drop out', 'Vocational', 'Graduate', 'Professional', 'Madaris' and 'Missing' yielded zero response. Hence only four fields have been plotted

## 4.4.2 Economic Data

### 4.4.2.1 Distance from the work place

Approximately 19% of the total survey population works within the settlement and 1.6% work within their homes (Graph 4-21). This demonstrates that the settlement in its own accord is a source of employment.

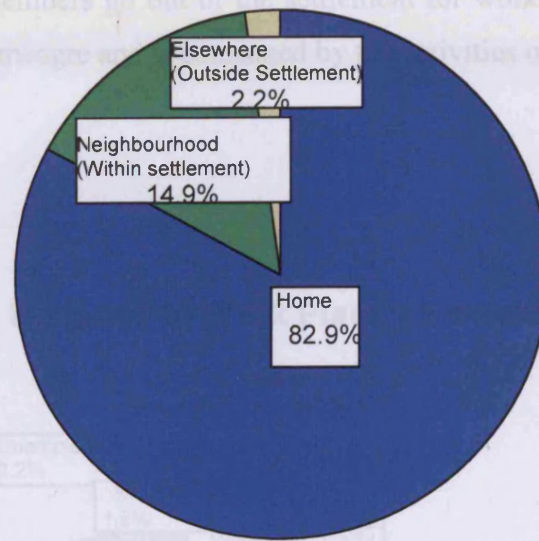
### Location of Work /Job - Karachi



Graph 4-21



Location of Work / Job - Faisalabad



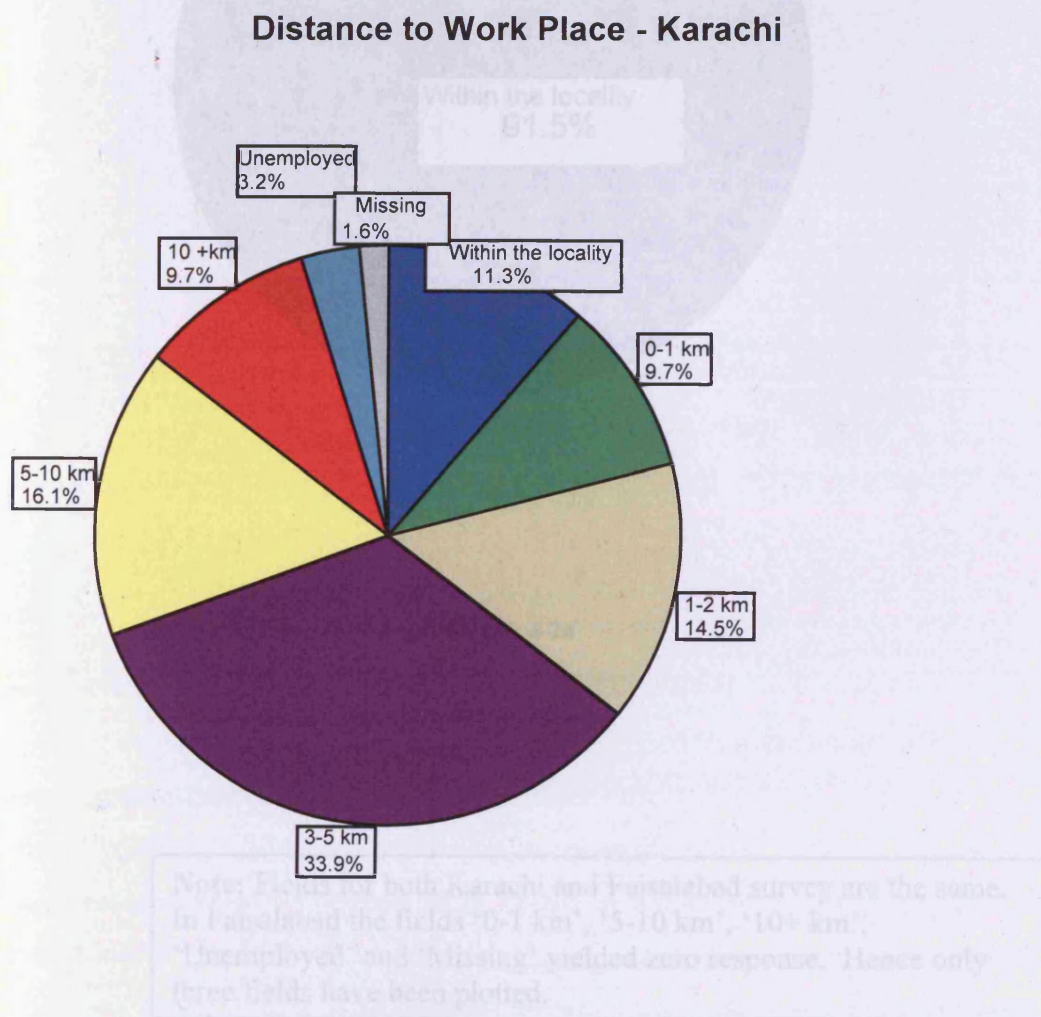
Graph 4-22

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields 'Refused' and 'Missing' yielded zero response. Hence only three fields have been plotted.

Another interesting trend brought to light is that approximately 30% (Graph 4-21) are employed in economic activities outside the settlement. This data suggests that in mega-cities such as Karachi, informal settlements are also providing human resources for economic activities beyond the periphery of the settlements and are a major provider of human resources for the city.

The issue of a settlement becoming part of the city can be answered with the interaction of its human resources with the city's demand for them. Karachi shows that its work force has developed in close interaction with the city. The work force is no longer confined within the settlement; this brings in much needed finance to the area. The proximity of living from the workplace chart shows that approximately half of the work force travels between 3-10 miles away from their places of residence (Graph 4-23). This demonstrates that transport becomes an additional surcharge to the living costs, and falls within a range of Rs. 300-1,500 monthly (Graph 4-25). These fees are quite high considering that the average income is approximately Rs. 9,000. In

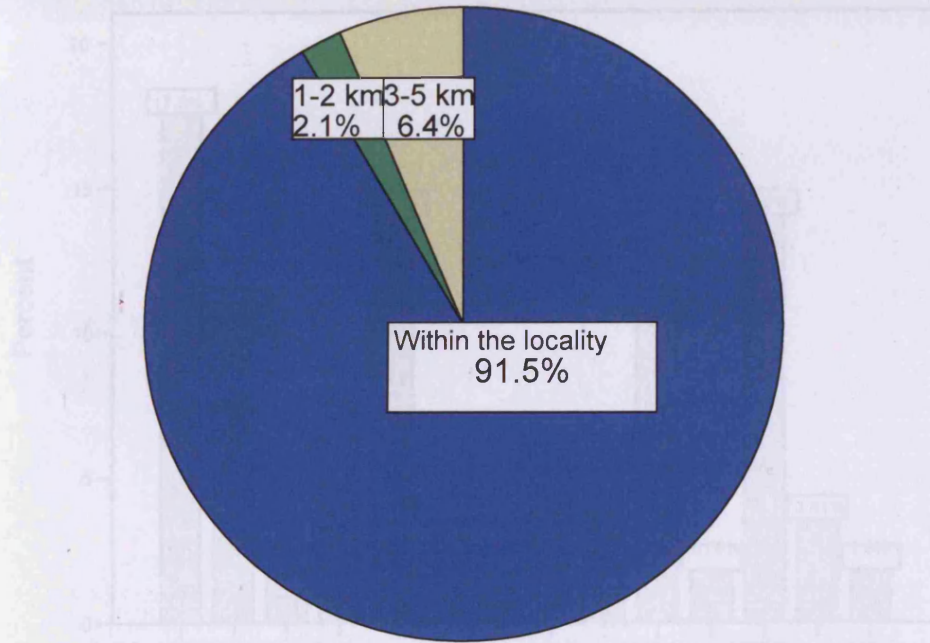
Faisalabad (Graph 4-24), the work opportunities are within the settlement, cutting down transport cost to nil, as people walk to their workplaces. As the hypothesis suggests, very few members go out of the settlement for work. The amount brought into the settlement is meagre and is consumed by the activities of people's daily lives.



Graph 4-23



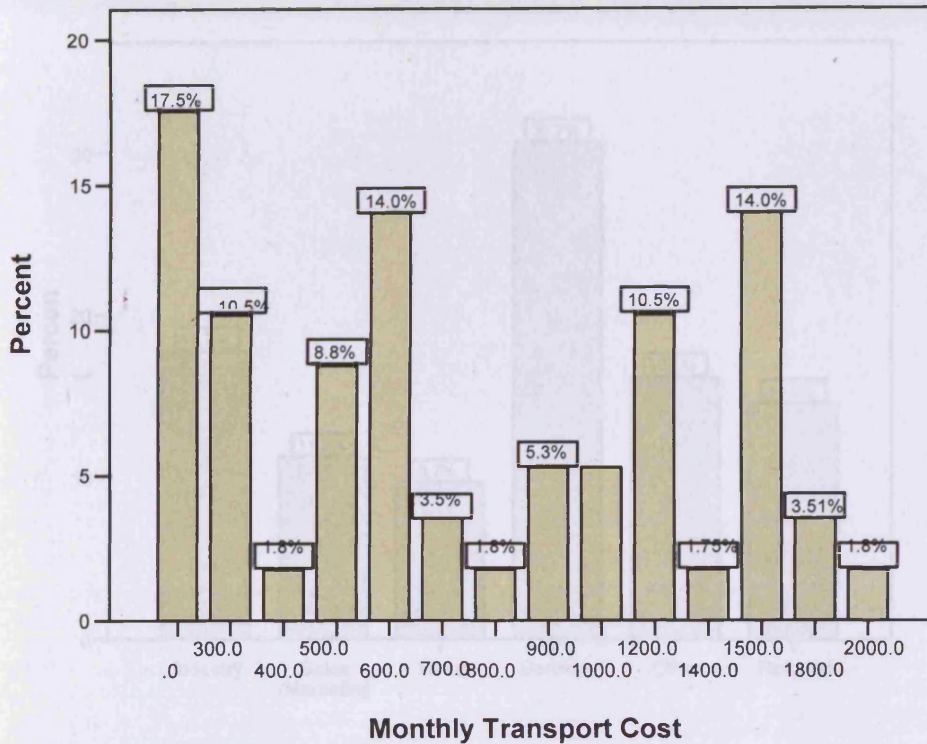
### Distance to Work Place - Faisalabad



Graph 4-24

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields '0-1 km', '5-10 km', '10+ km', 'Unemployed' and 'Missing' yielded zero response. Hence only three fields have been plotted.

### Monthly Transport Cost - Karachi



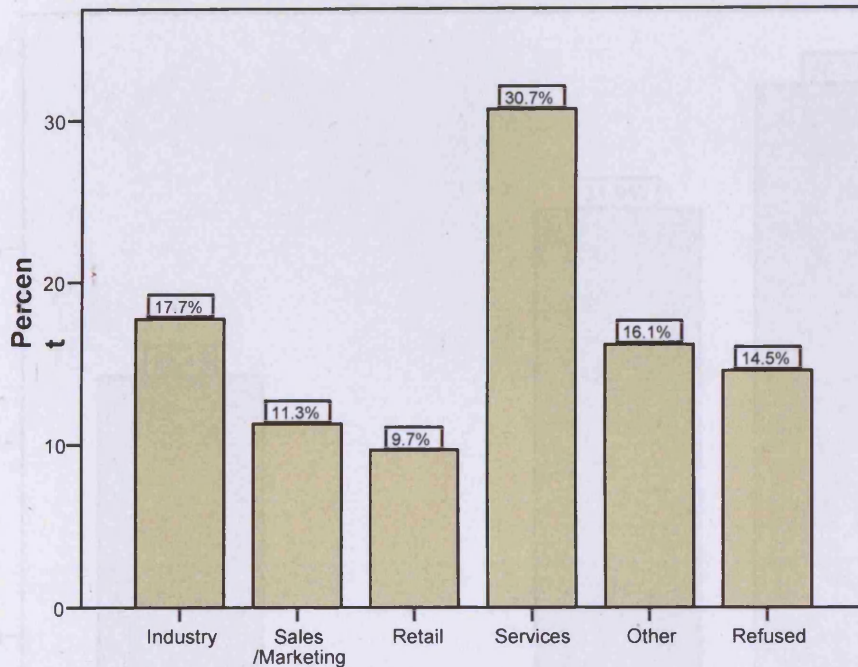
Graph 4-25

#### 4.4.2.2 Nature of Economic Enterprises in the Settlement

The type of economic enterprises would be more obvious from the analysis of the data gathered at Karachi and Faisalabad, which demonstrate interesting variations in the nature of businesses and enterprises that are formulated in the early stages. The informal settlements in Faisalabad show pattern of a developing urban area and the ones in Karachi are in the later stage of development. The data suggests that the changes are gradual and lead up to different configurations of employment opportunities (Graph 4-26 and 4-27). The overall production within the settlement itself decreases once settlements start integrating with the city. This could be attributed either to the merging of smaller units, and to having small capital, or to the establishment of larger industrial units having large capital invested that would hire labour from the smaller industries



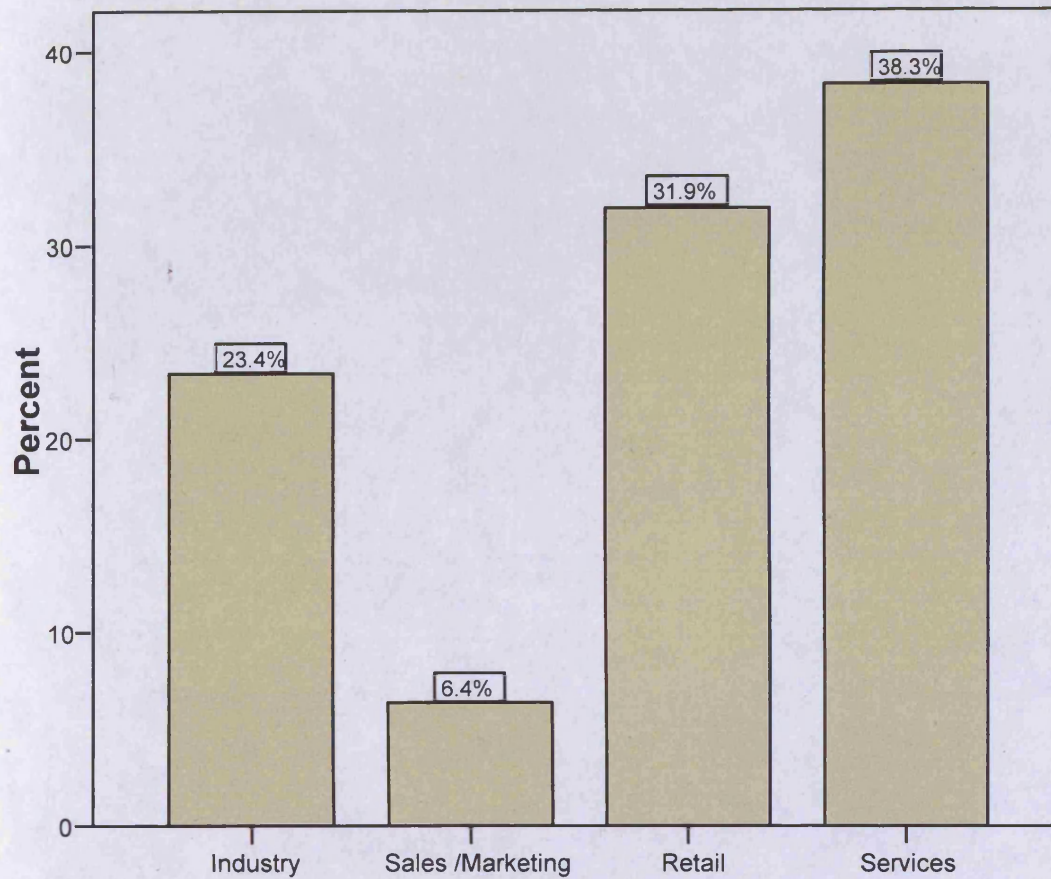
### Nature of Business or Employment - Karachi



Graph 4-26

In the marketing and sales industry generally, the middlemen usually promote this sector. This 'middleman' economy in larger cities becomes dominant as it provides credit. The much needed funding in the form of personal, one-to-one credit, instead of institutional credit, is important in the settlements and the middlemen play the role of financiers to the smaller production units. These middlemen also act as agents between the producers and high street retailers. Essentially, these middlemen act as micro-finance points for the home-based industries.

### Nature of Business or Employment - Faisalabad



Graph 4-27

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields 'Other' and 'Refused' yielded zero response. Hence only four fields have been plotted.

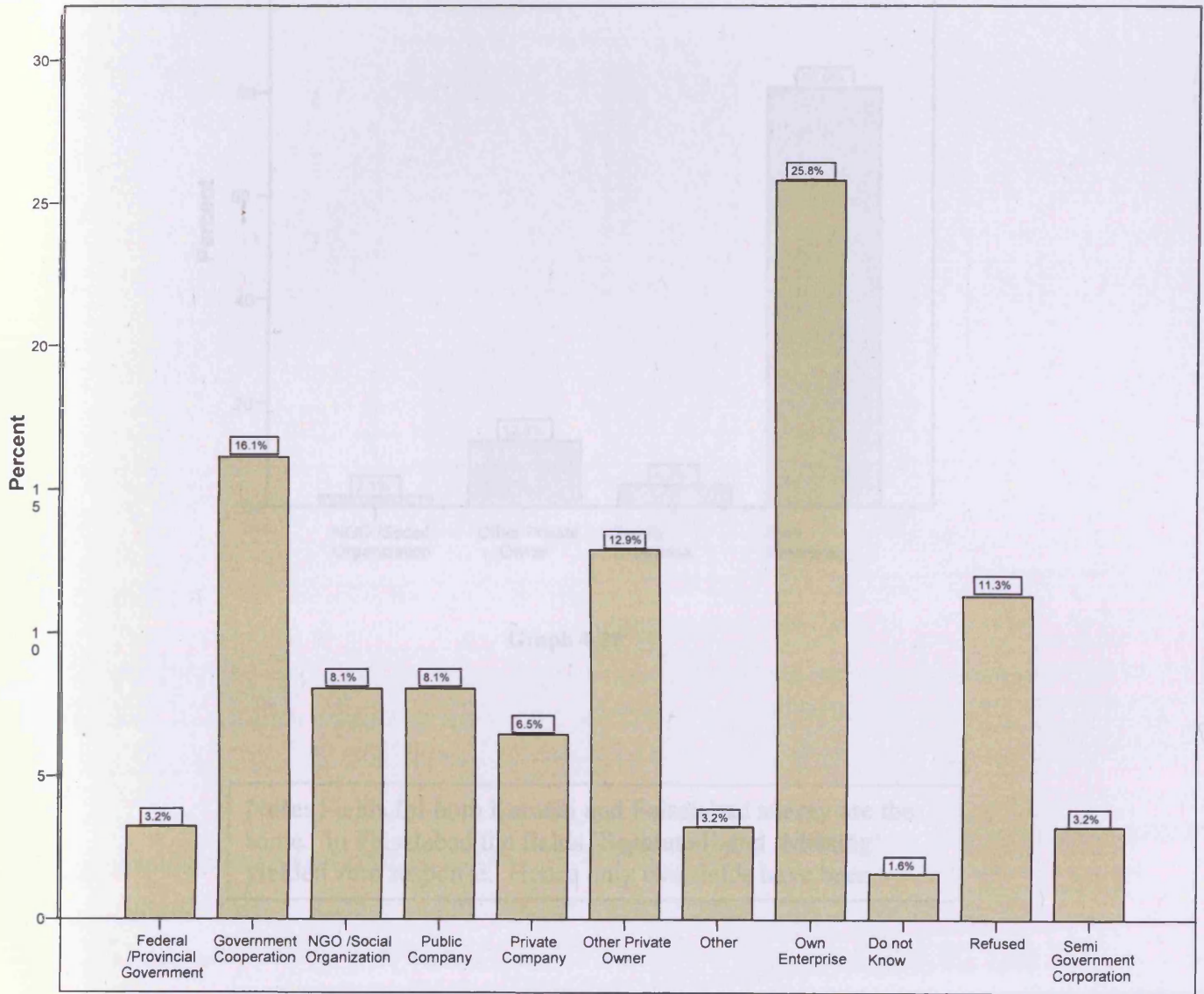
#### **4.4.2.3 Prime Employers**

Looking closely at the key employer picture (Graph 4-28 and 4-29), Karachi shows a more diverse distribution of labour. It is observed that these informal settlements in larger cities such as Karachi also have lower grade government as well as private-sector employees, and even professionals. This is apparent from the statistics gathered which suggest that the number of self-owned enterprises demonstrate a marked decrease in Karachi where there are only 25% as compared to 80% in Faisalabad. With education, the labour in Karachi in particular is further dissipated into more white-collar jobs as the informal settlements develop.

In the meantime, another category of service is included - that of the non-government organisations and community-based organisations (Graph 4-28 and 4-29). As the settlements grow in both number and area, they need extensive coordination and organisational support. This coordination is achieved through these small organisations whose main task is to identify issues and, render solutions to them. Over the years, non-governmental organisations have formed partnerships with such community organisations and have channelled human and monetary resources towards the overall development of the settlements and society. Much more needs to be done as the channelling of these efforts needs to be researched and an overall study implemented of the impact of the support needed and provided for and to the city.

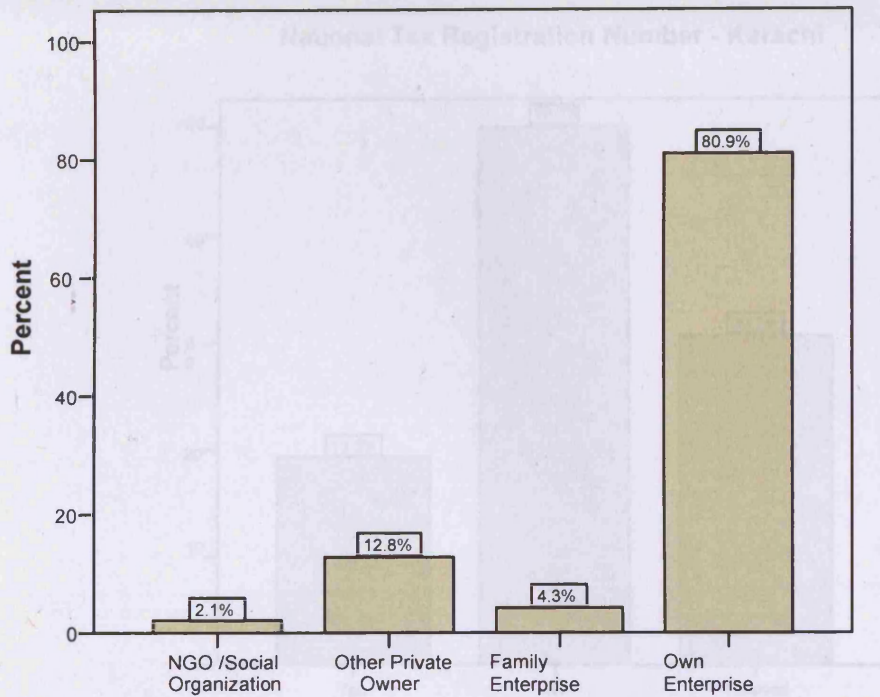


### Prime Employer - Karachi



Graph 4-28

**Prime Employer - Faisalabad**



**Graph 4-29**

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields 'Separated' and 'Missing' yielded zero response. Hence only two fields have been

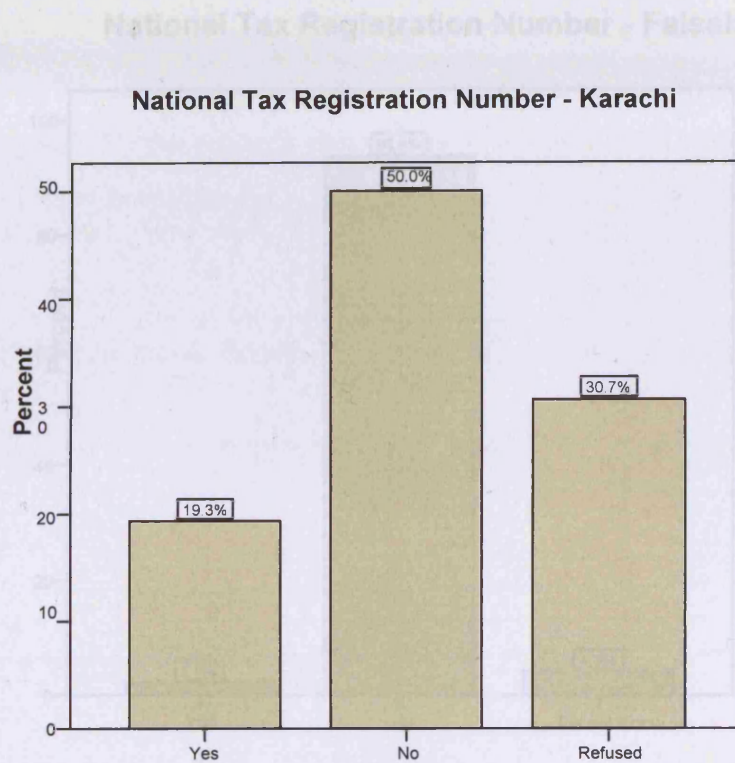
The figures for enterprise ownership were received. The reason for this appears to be related to the 43% refusal in the survey population. These figures need to be read with the figures for enterprises with legal holding papers. Approximately 12% (Graph 4-30) again

Registration

location of their work place within the city limits. Approximately 30% answered in the negative to the question of possessing a National Tax Registration Number. Thus both legal and social factors appeared to govern the responses of the surveyed population. The refusal rate for the question concerning the National Tax Registration Number is approximately 30%. The social issues of corruption and ingrained fear against it prevent the people from disclosing their means of livelihood. The recent introduction of VAT (value added tax) is likely to complicate the issue further.



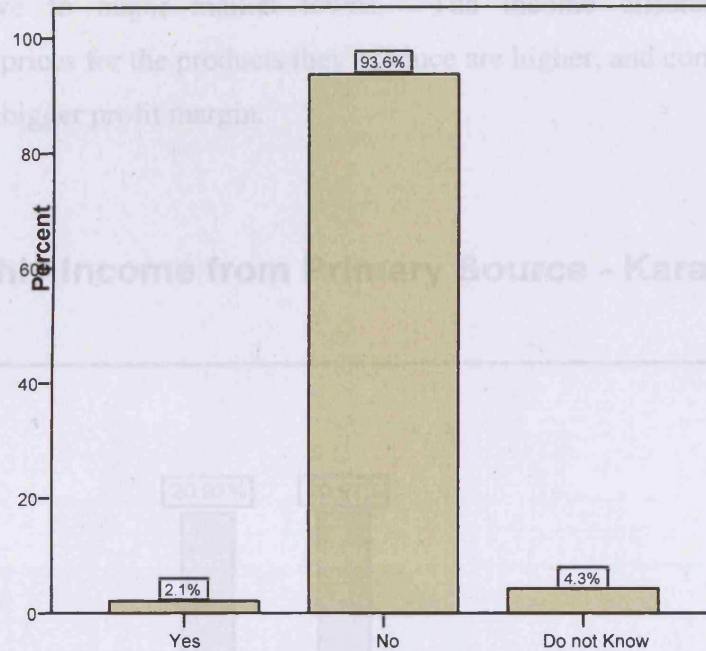
#### 4.4.2.4 National Tax Registration Number



Graph 4-30

The figures for enterprise ownership seem skewed. The reason for this appears to be related to the 43% refusals in the survey population. These figures need to be read with the figures for enterprises with legal-holding papers. Approximately 19% (Graph 4-30) again have mentioned that their enterprises or employers have National Tax Registration Numbers (NTR), which are the same percentage that disclosed the location of their work place within the settlement. Approximately 50% answered in the negative to the question of possessing a National Tax Registration Number. Thus, both legal and social factors appeared to govern the responses of the surveyed population. The refusal rate for the question concerning the National Tax Registration Number is approximately 30%. The social issues of corruption and inculcated fear against it prevent the people from disclosing their means of livelihood. The recent introduction of VAT (value added tax) is likely to complicate the issue further.

### National Tax Registration Number - Faisalabad



Graph 4-31

In contrast to the Karachi, population, in Faisalabad informal settlement are not intimidated to declare their business ventures within the domestic space, although 93% of the total surveyed admitted the fact that they do not possess National Tax Registration Numbers (Graph 4-31). This confidence can be attributed to the fact that at early stages, settlements have strong social bonding, and this acts as security against corrupting factors that may hamper their daily routines. This self-security helps in the overall development of the area. As the settlement grows with the city and becomes integrated, new members move in, and this unfamiliarity at times weakens the strong social links.

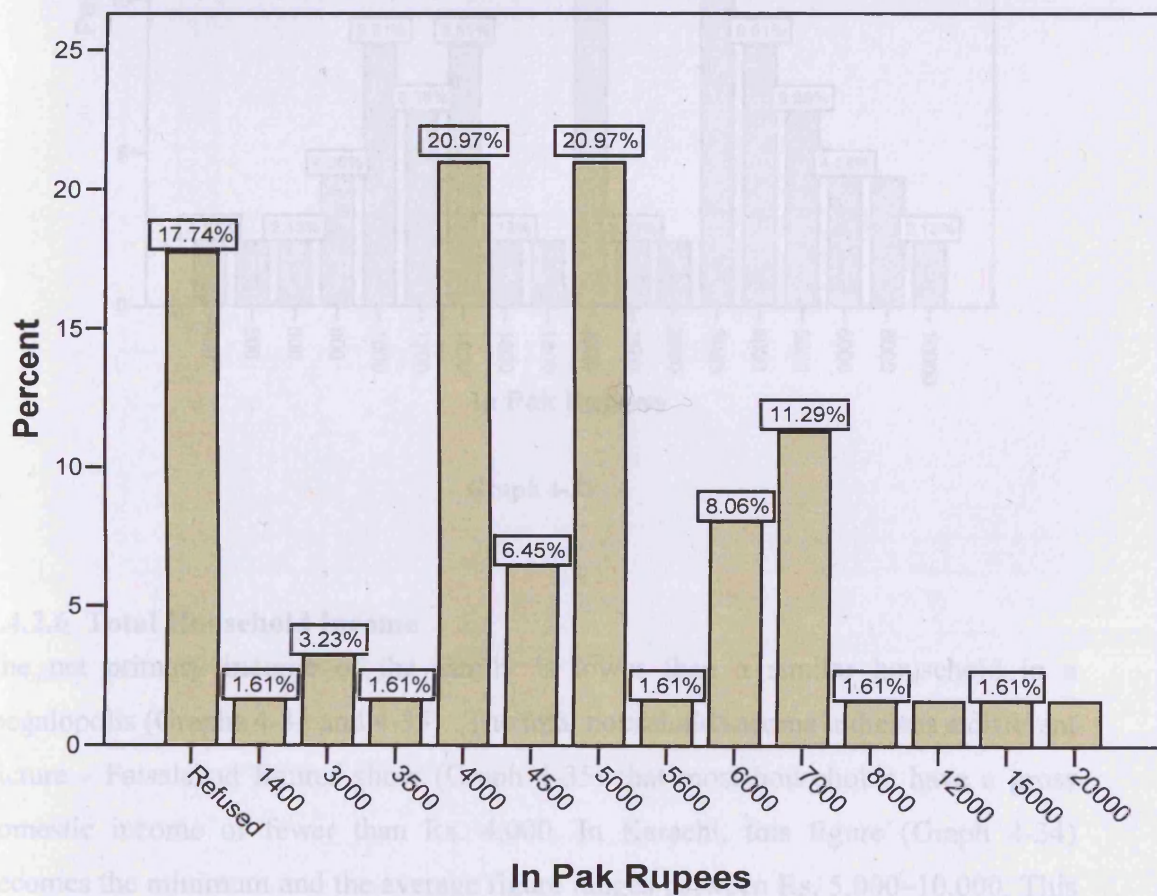
#### 4.4.2.5 Income from Primary Source

The nature, motivation, size of activity, and income demonstrate different trends in the two cities. The income in a major city such as Karachi is relatively higher than in Faisalabad. Perhaps higher income in itself was a source of attraction for a migrant coming from upcountry or any other small towns within Pakistan. Graphs 4-32 and 4-33 demonstrate that approximately 40% of the population in Karachi earn between Rs.



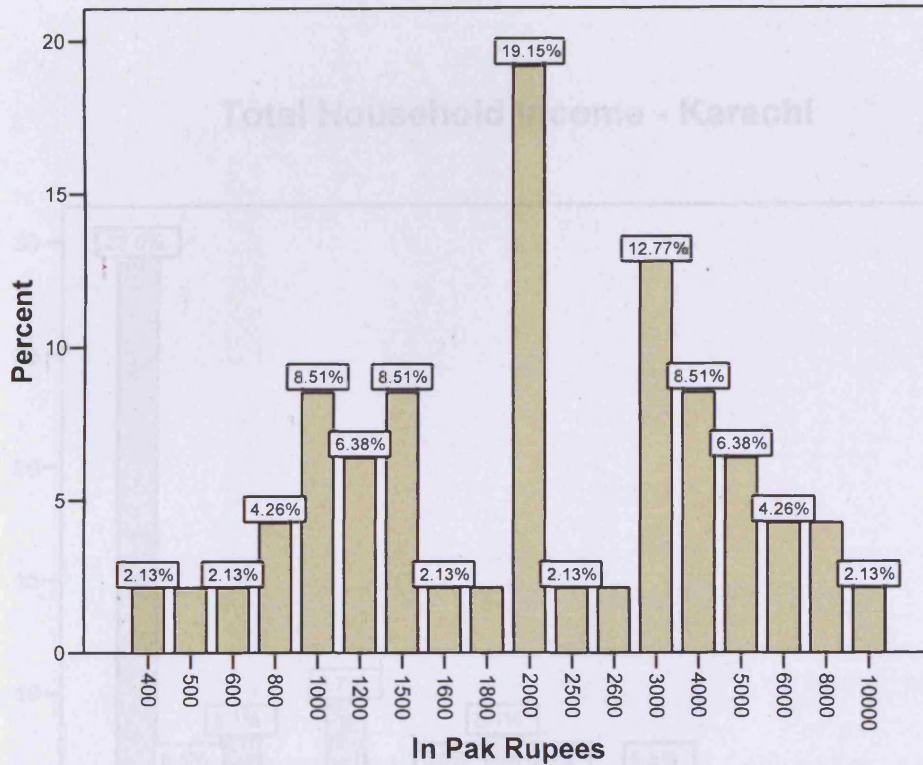
4,000 – 5,000; in Faisalabad approximately the same percentage of the population falls between the ranges of Rs. 1,500 – 3,000. It is the income difference that encourages people to move towards larger cities such as Karachi. To attain financial stability people move to major market towns. The income difference also demonstrates that the prices for the products they produce are higher, and compared to smaller cities, yield a bigger profit margin.

### Monthly Income from Primary Source - Karachi



Graph 4-32

### Monthly Income from Primary Source - Faisalabad



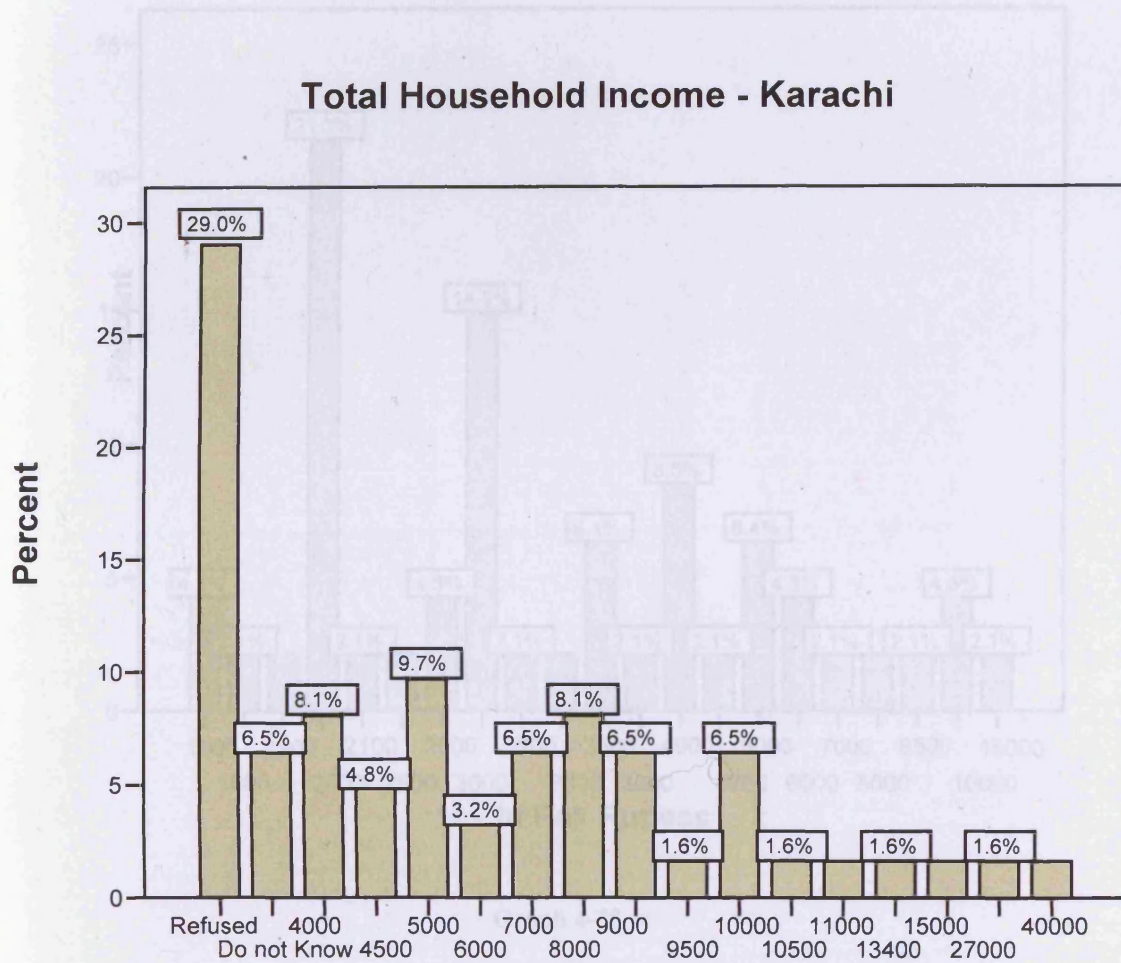
Graph 4-33

#### 4.4.2.6 Total Household Income

The net primary income of the family is lower than a similar household in a megalopolis (Graphs 4-34 and 4-35). The total household income indicates a different picture - Faisalabad figures show (Graph 4-35) that most households have a gross domestic income of fewer than Rs. 4,000. In Karachi, this figure (Graph 4-34) becomes the minimum and the average figure ranges between Rs. 5,000–10,000. This indicates that when asked if their work was the only source of income, the respondents' answers diverged. The other sources of income vary from government securities, pensions to informal saving schemes called *bisie* locally, informal part-time work and earnings from other members of the family. Another aspect that becomes obvious from the income survey is that in smaller cities small cottage industries and home-based industries form a major source of income. They are vital for the sustainable development of informal settlements. In larger cities, the domestic



industries become a supplementary source of income for a majority of the residents. The status goes to prove that domestic industries are major contributors to supplementary income and shows that this income improves of the quality of life.



#### 4.4.1.7 Earning Members of Family

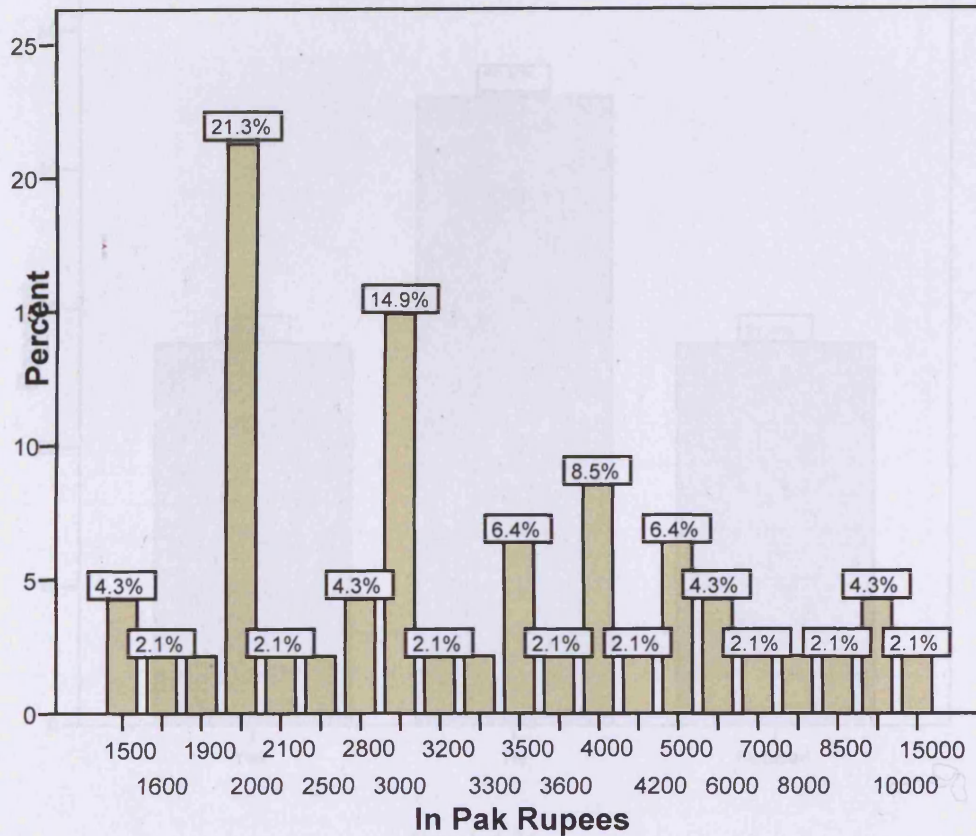
Approximately 45% (Graph 4-36) of the surveyed households demonstrate that they are the sole earners of the family, although again the survey suggests that there are a huge number of refusals; however the number of families who are not sole earners is high. There are two reasons for this: the families are located outside Karachi or there are no other earning members. One can also debate here, that due to a fear of eviction and curtailment of their livelihoods, people did not want to disclose the truth about their other family members' contributions to the households. In the case of Patulabad approximately 65% (Graph 4-37) of the surveyed household disclosed more than one earning member in the family.

Graph 4-34

**In Pak Rupees**



### Total Household Income - Faisalabad

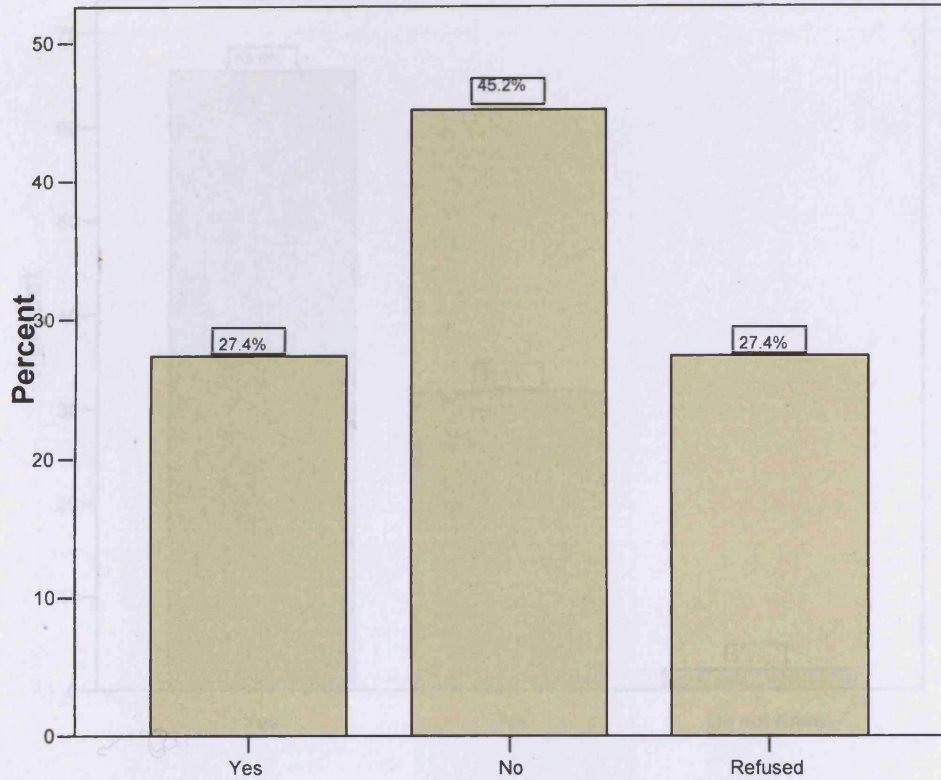


Graph 4-35

#### 4.4.2.7 Earning Members of Family

Approximately 45% (Graph 4-36) of the people in Karachi demonstrate that they are the sole earners in the family; although again the survey suggests that there are a huge number of refusals; however the number of single earner families is high. There are two reasons for this: the families are located outside Karachi or there are no other earning members. One can also debate here that due to a fear of eviction and curtailment of their livelihoods, people did not want to disclose the truth about their other family members' contributions to the households. In the case of Faisalabad approximately 65% (Graph 4-37) of the surveyed household disclosed more than one earning member in the family.

### Other Earning Members in the Household - Karachi



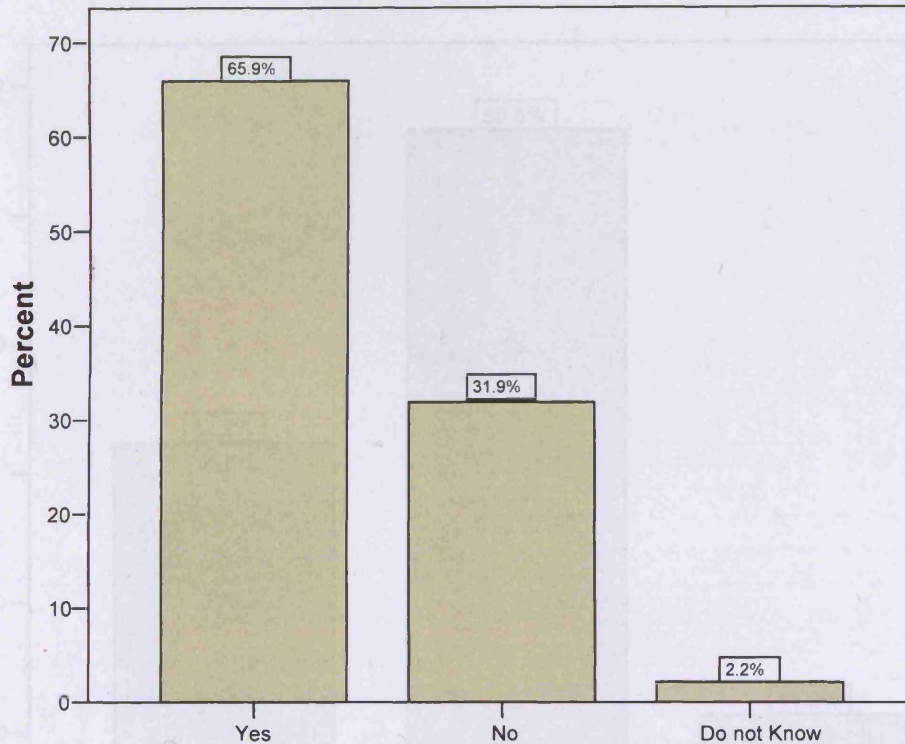
Graph 4-36

#### 4.4.2.8 Level of Income Satisfaction

Karachi demonstrated approximately 55% dissatisfaction with the gross household income (Graph 4-38), while in Islamabad around 12% were dissatisfied (Graph 4-39). The high level of dissatisfaction in Karachi is due to the fact that although the income is high the burden of the development of the environment relies entirely upon the residents so the environment shares the income.



### Other Earning Members in the Household - Faisalabad

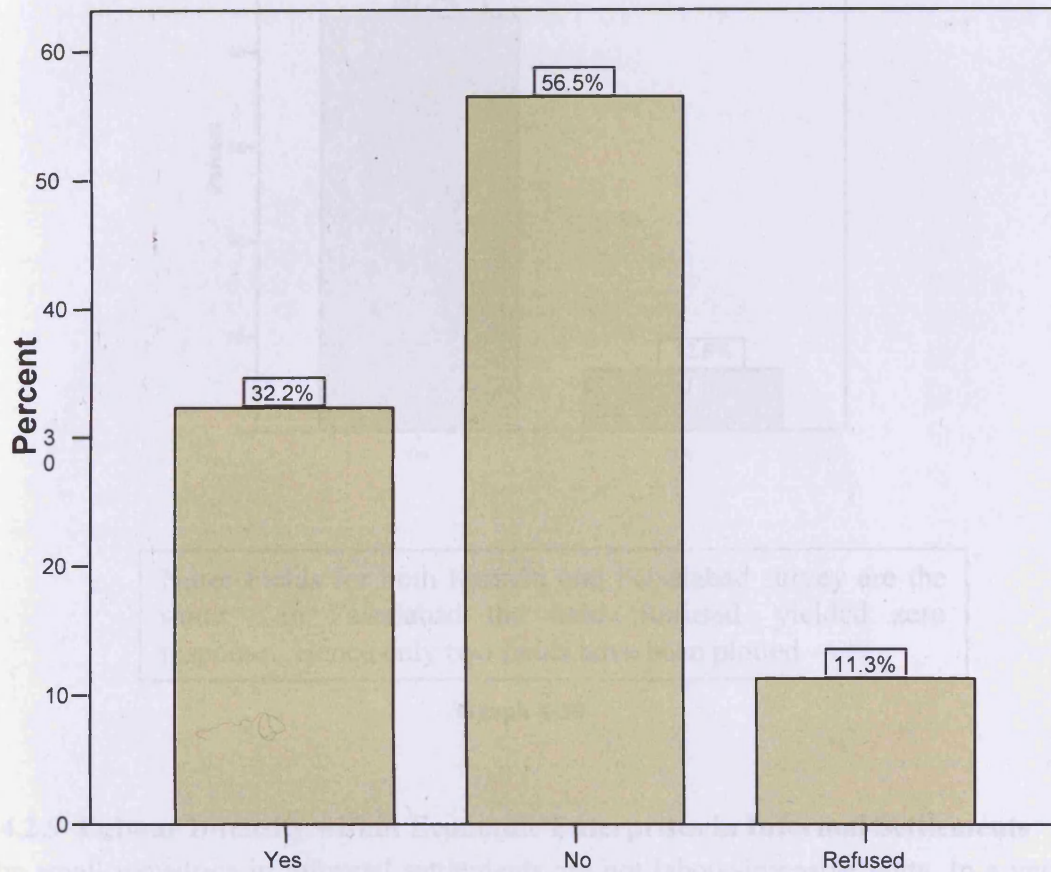


Graph 4-37

#### 4.4.2.8 Level of Income Satisfaction

Karachi demonstrated approximately 55% discontent with the gross household income (Graph 4-38), while in Faisalabad around 12% were dissatisfied (Graph 4-39). The high level of dissatisfaction in Karachi is due to the fact that although the income is high the burden of the development of the environment relies entirely upon the residents so the environment shares the income.

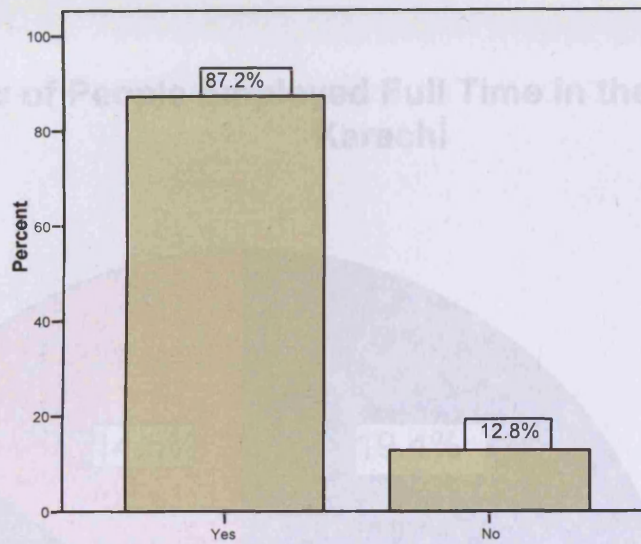
### Earnings Sufficient for Needs - Karachi



Graph 4-38



#### Earnings Sufficient for Needs - Faisalabad



**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the field 'Refused' yielded zero response. Hence only two fields have been plotted

Graph 4-39

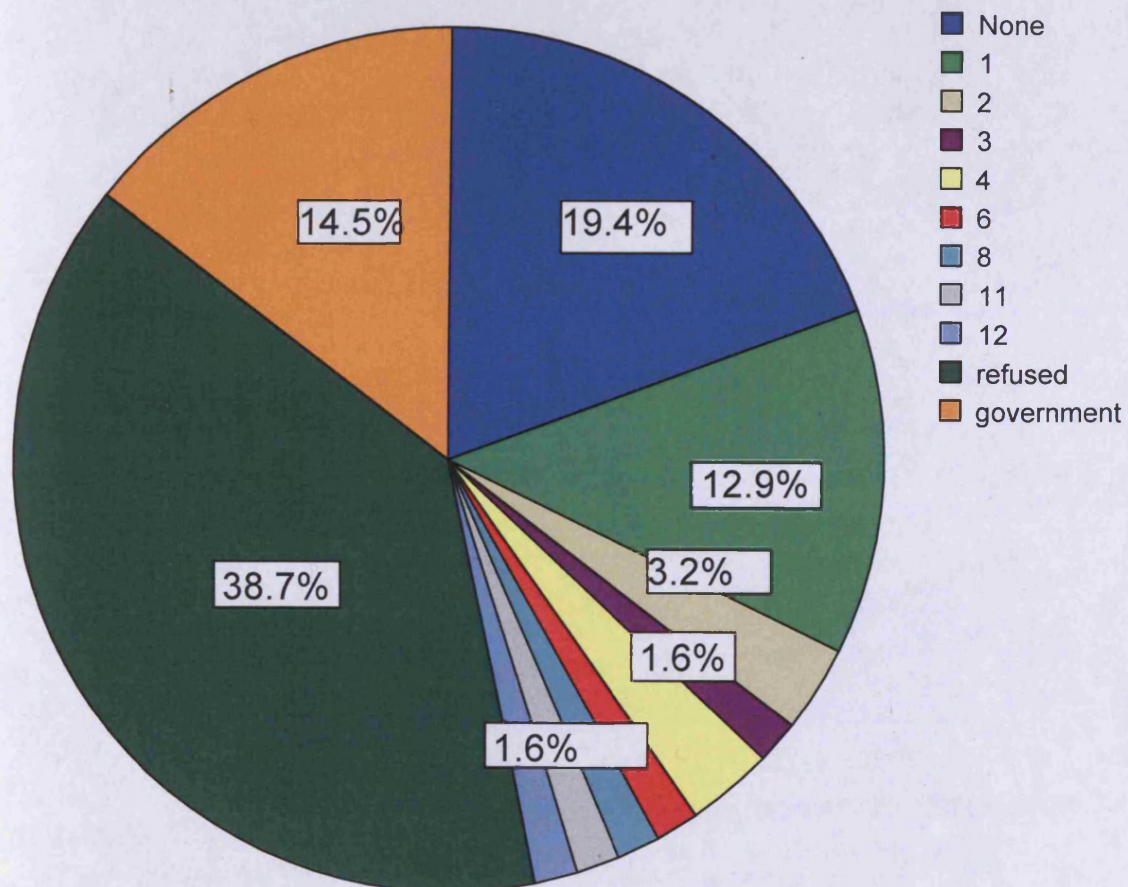
#### 4.4.2.9 Labour Intensity within Economic Enterprises in Informal Settlements

The small industries in informal settlements are not labour-intensive units. In a very few instances, the number of full-time employees is more than eight. They provide a variety of work experiences and employment opportunities in the settlements. Karachi (Graph 4-40) figures show that approximately 20% are self-owned and -run. The natures of these are mostly retail outlets or service facilities. In addition, the number of family members working in these economic enterprises is high. In Faisalabad (Graph 4-41 and 4-43) 60% of the industries and enterprises have one or two family members working. If we compare it with the figures of full-time employees, it is obvious that most of the enterprises are run and owned by a single household. This leads to the conclusion that people start a business as a family and these enterprises are the financial building-blocks for the future of the household. In Karachi (Graph 4-42) the huge refusal rate particularly for family members' involvement in the business shows that the industries are not declared and people tend



to hide their secondary sources of income. However, Faisalabad figures also show that the sizes of the enterprises are small and, as stated above, are not labour-intensive.

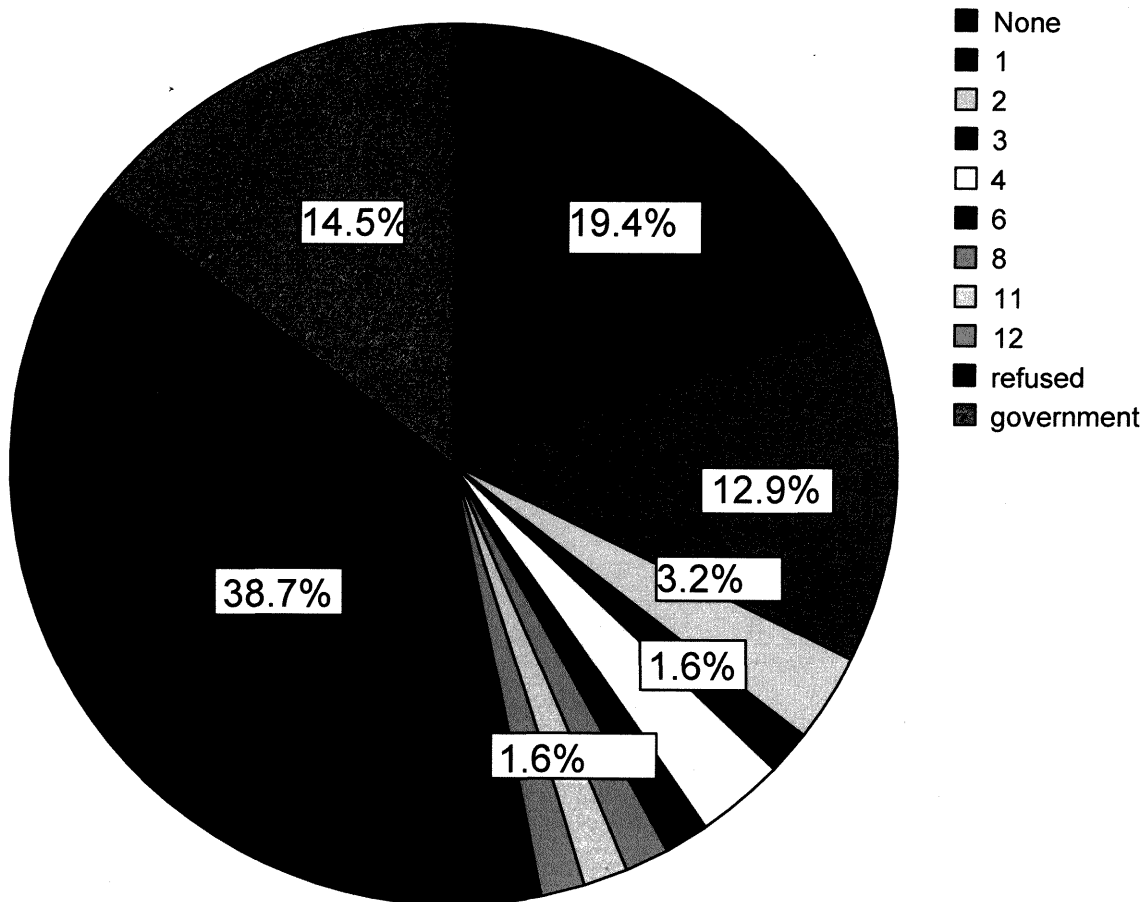
### Number of People Employed Full Time in the Enterprise Karachi



Graph 4-40

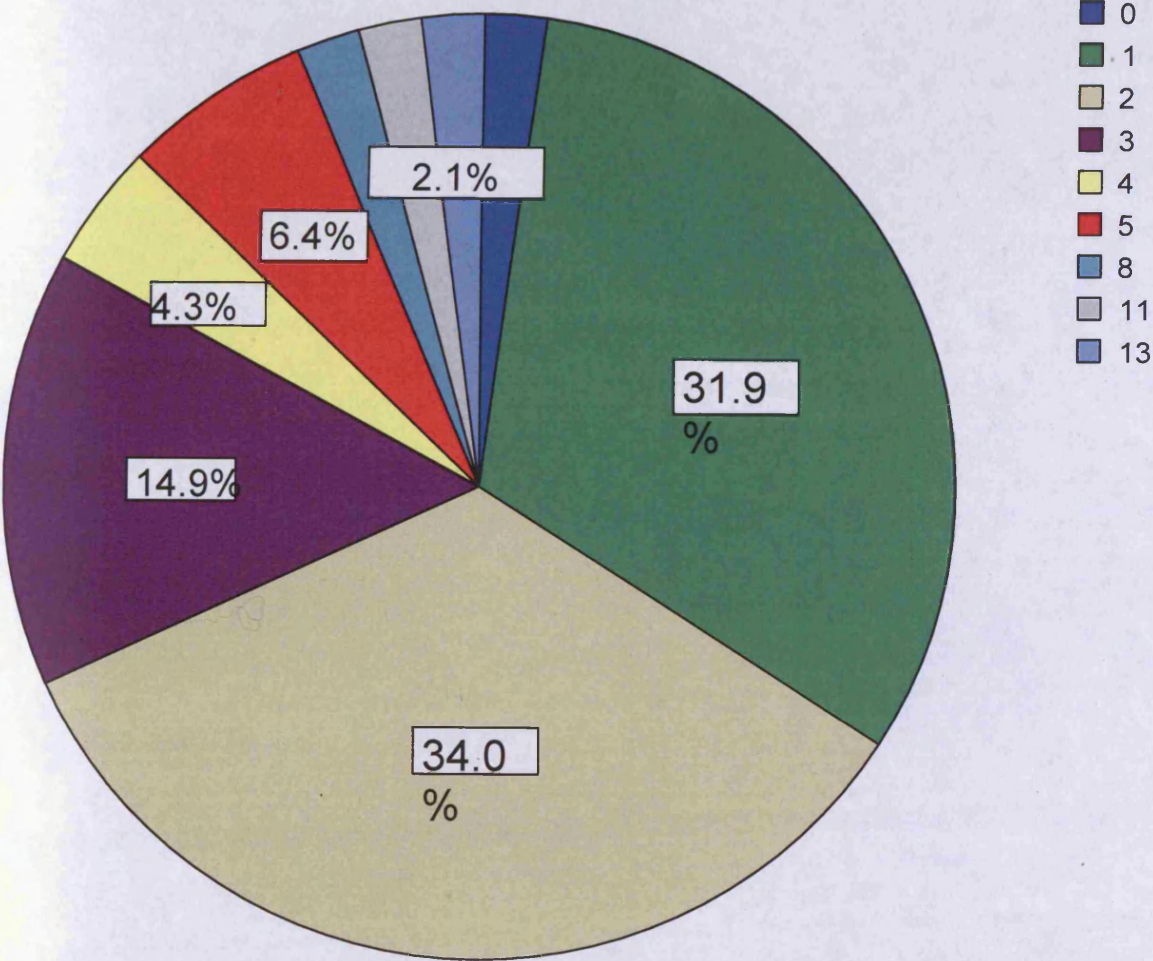
to hide their secondary sources of income. However, Faisalabad figures also show that the sizes of the enterprises are small and, as stated above, are not labour-intensive.

### Number of People Employed Full Time in the Enterprise Karachi



Graph 4-40

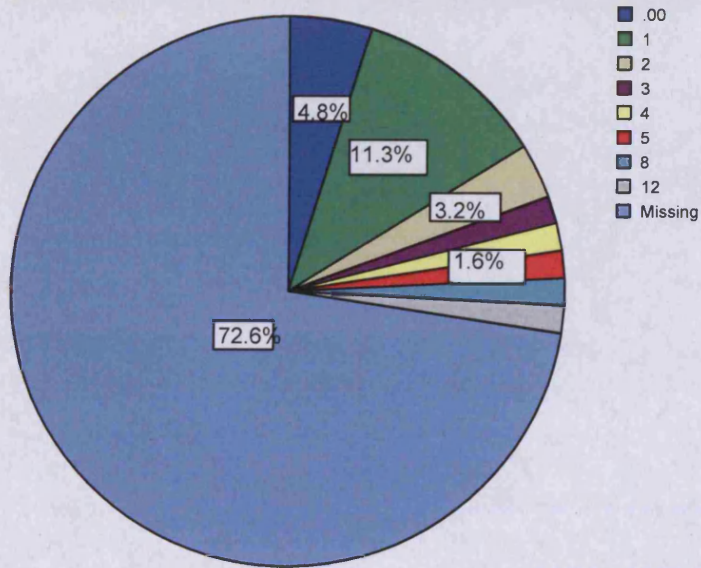
# Number of Full Time Employees in Enterprise - Faisalabad



Graph 4-41

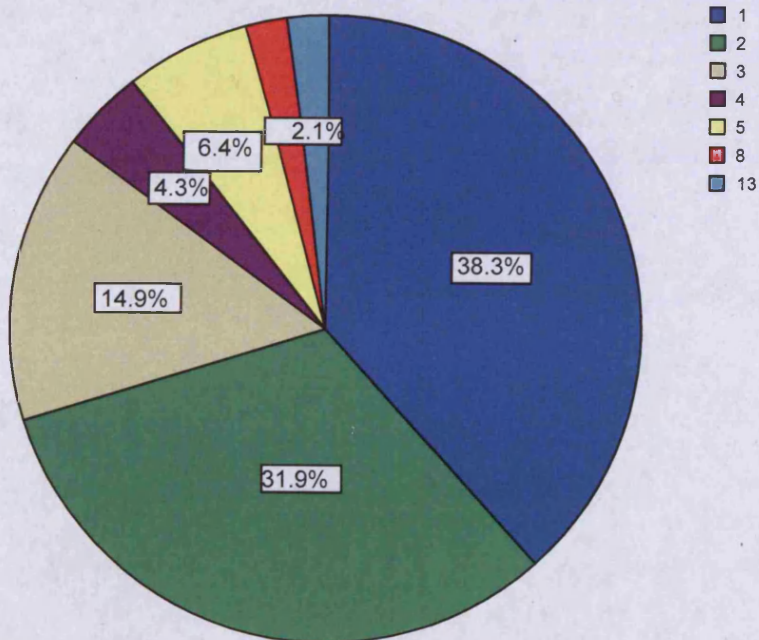


**Number of Family Members Employed in the Enterprise - Karachi**



**Graph 4-42**

**Number of Family Members Working in the Enterprise - Faisalabad**



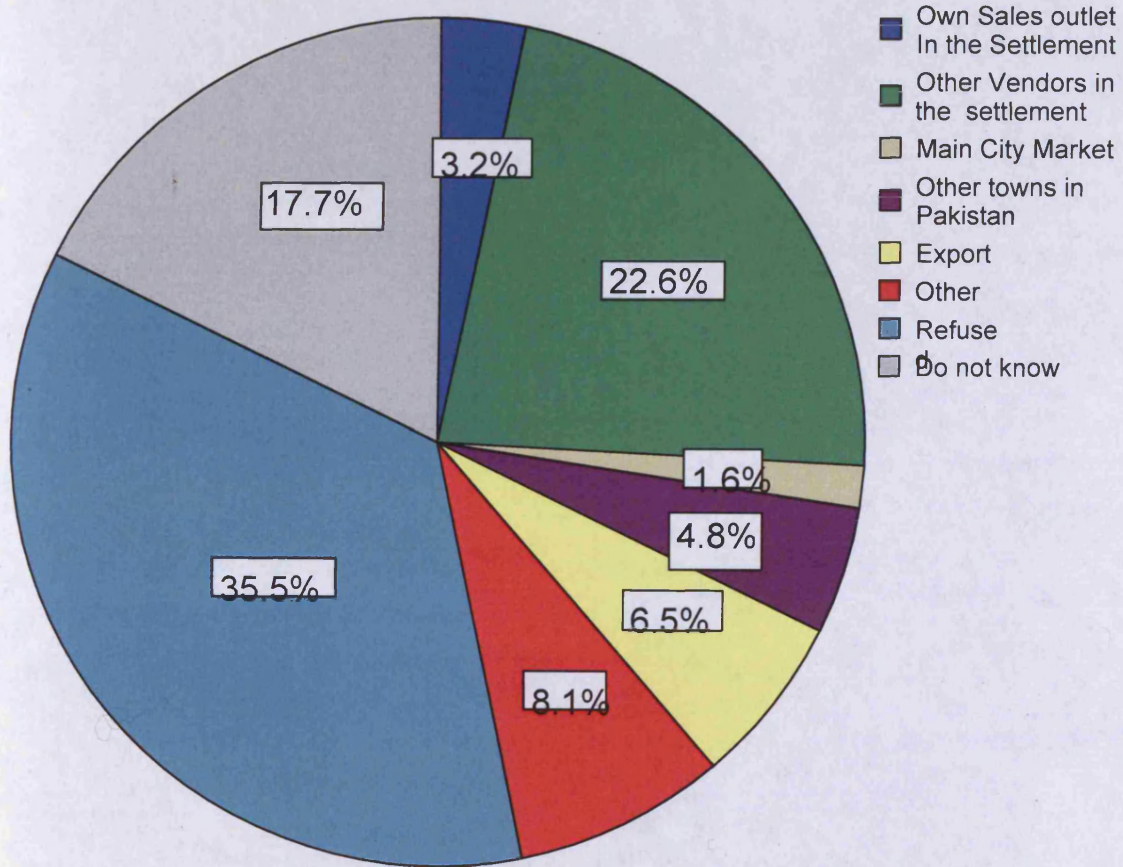
**Graph 4-43**

In Karachi (Graph 4-40 and Graph 4-42), another trend seems to emerge that of owning the enterprise and hiring workers. Thus the enterprise starts supporting community members. This transition from the family work force to inclusion of community members depicts the transition of settlement from a static community to a dynamic one. The settlement becomes a centre of social as well as economic activity. This shows that the settlement has started sustaining itself in terms of employment. The employment opportunities further help in lowering the national unemployment figure. But the major concern here is the work environment and the exploitative nature of the setup itself. Hence the informal settlement is able to cater to the economic aspect of sustainable development.

To make such a statement, however, one needs to look into the market for the products made in the settlements. In Faisalabad (Graph 4-45), a large proportion of consumer markets lie within the settlement and only one-fifth goes to the main city market. This represents the original hypotheses that during the initial phase the communities in the settlements tend towards self-sustenance and money circulates within the settlement. This external income originates from a few people who tend to venture out. This capital revolves around and market emerges within the settlement as the settlement consolidates on these funds, more people and enterprises venture out and the market extends to not only to the main city where the settlement is located, but to other cities of the country (Graph 4-44). Some of the products are used for international export, too. This supports the initial postulate about settlements starting from the level of self-sufficiency, and developing towards sustainability.

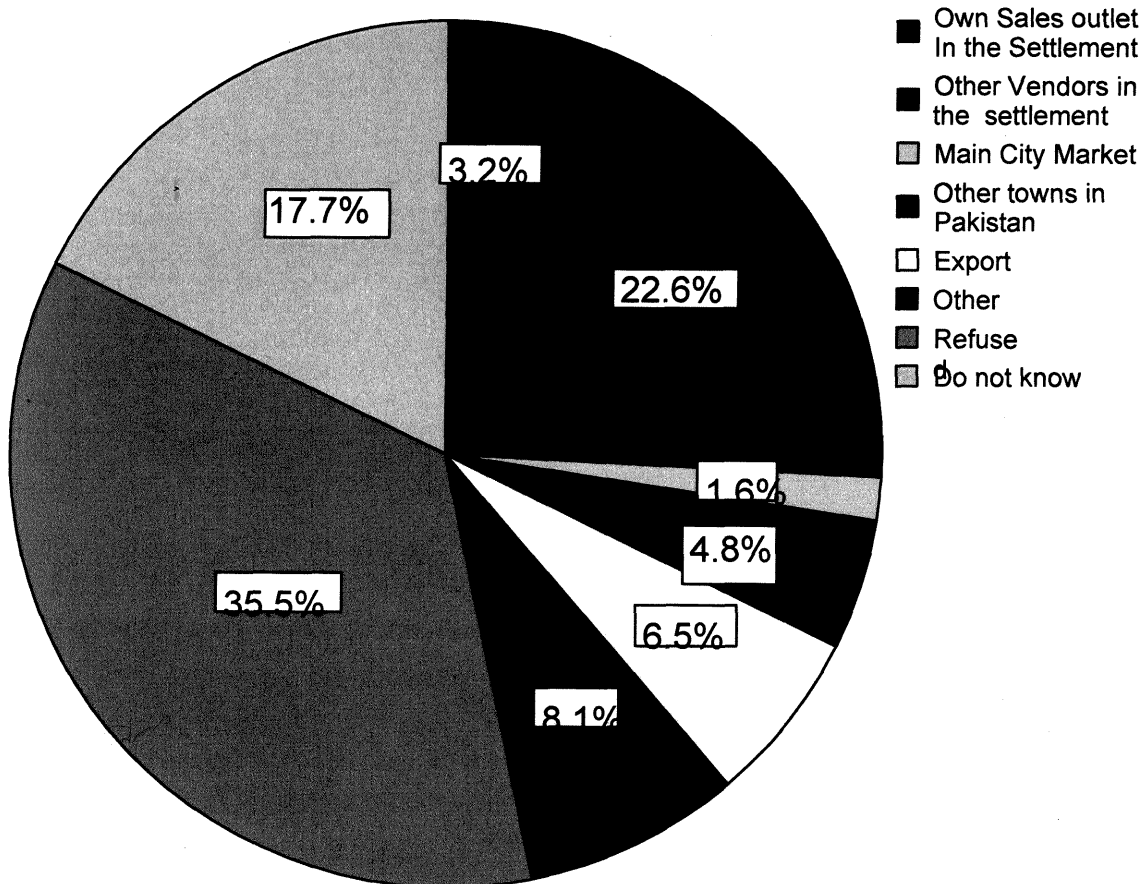


### Market for the Produce / Services - Karachi



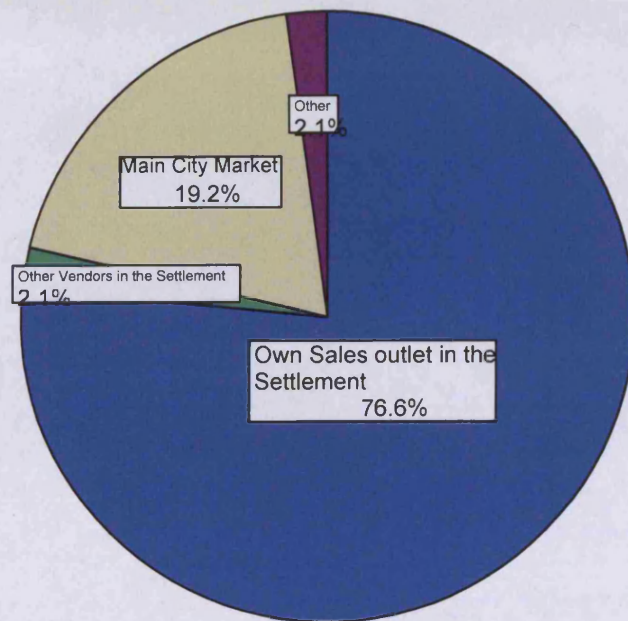
Graph 4-44

## Market for the Produce / Services - Karachi



Graph 4-44

#### Market for Produce / Services - Faisalabad



Graph 4-45

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the fields 'other towns in Pakistan', 'Export', 'Refused' and 'Do Not Know' yielded zero response. Hence only four fields have been plotted.

#### 4.4.2.10 Credit (From Secondary Source)

A. Hasan in his book, *Unplanned Revolution* discussed the role of credit within the informal settlements. In accordance with this, the survey showed that the majority of the residents do not demand loans for the construction of their houses. A. Hasan confirms this observation and further adds that there are different ways of investment, such as a *bisie* committee. In this type of saving, a few people put in a particular sum of money every month and each month one of the participants (investors) gets to take the whole amount contributed by all participants in that month. Thus, although no profit is made, people are bound to put in the amount for the number of months they made a commitment. Essentially, *bisie* is a source of interest-free capital for the recipient that he repays over an agreed period of time.



Mostly construction material or material for work is taken on credit. For construction, the local building construction yard (*thalla*) provides the credit. Due to the strong social networks, default rarely occurs. This shows that compared to any other checks, the self-imposed social check proves to be the best counter strategy for defaulters. The role of credit in every-day life of informal settlement dwellers is of prime importance. In the case of poverty-concerned families, it has been proven (UNDP survey) that the loans are usually taken for consumption needs, instead of business. —

*As much as 17 per cent of total consumption of the poor is financed through credit and 5 per cent through sale of land.<sup>1</sup>*

This staggering figure highlights the importance of counter measures that need be devised to combat growing economic poverty. In terms of informal settlements all three studies have found that informal economic activities in the informal settlements provide the much-needed employment. Most jobs are underpaid, but in comparison to unemployment, people prefer to be under-employed.

#### **4.4.2.11 Role of Earning Members towards Development Initiative (Secondary Source)**

The number of earning members is another key factor. In small-scale industries usually, it is family oriented enterprises and in particular the role of women that become important. All four studies have highlighted that the higher the number of earners in a household, the fewer chances of the household facing absolute poverty. An observation made by the SPDC is of key importance:

*Larger households tend to be poorer because of more dependents. Therefore, the behaviour whereby poor families desire to have a large number of children, either to serve as housekeepers (to release the adults from domestic chores) or to contribute to the family income as a means for rising out of poverty, appears to be counterproductive, at least in the short to medium*

*term. It also appears that the relationship between age of the head of a household and poverty is of an inverted U-shape. The probability increases up to a certain age threshold, until such time as the head of the household acquires enough education/training and experience to improve his/her earnings.*<sup>3</sup>

The statistical data (Table 4-5 and 4-6) clearly demonstrates that as the number of earners increases in a household, the incidence of poverty decreases. The UNDP has further strengthened this notion with the statistical data-related to the earnings of the different genre of households. The UNDP survey has further divided the poor into extremely poor and poor depending on their position on the poverty index. Households below the set calorific norm have been considered as extremely poor.

Number of Earners	Incidence Rural Area	Incidence Urban Area	Depth Rural Area	Depth Urban Area
One	36	29	10	6
Two	32	31	8	7
Three or more	26	23	6	4

**Table 4.5 Incidence and Depth of Poverty by Type of Household (%)**

	Extremely Poor	Poor	Non-Poor	Total
Total earned income	15,339	35,550	96,109	36,685
Major earner income	14,608	29,566	69,447	29,652
Second earner income	617	4,759	17,119	4,983
Share of major earner (%)	95.2	83.2	72.3	80.8
Share of second earner (%)	4.0	13.4	17.8	13.6

**Table 4.6 The Incomes of the Principal and Second Earners (UNDP)**

Poverty over the decades has increased in Pakistan. Although during the 80s it was much controlled, the 90s showed a rapid increase. This rise can be attributed to the return of Pakistanis who had been living abroad due to political turmoil in their respective host countries. This leads to a decrease in the remittances to the families in



Pakistan. Remittances form a major supplement for household incomes. Although the effect of remittances is more prominent in rural areas, where remittances are within the country as well, a considerable numbers of urban dwellers go abroad for earnings. Looking at the two factors, it can be said indirectly that the urban setting provides financial resources for rural families as well as to help them rise out of poverty. This also sheds light on the fact that urban areas attract earning members of the family and therefore a high percentage of family-less males from the settlements.

*Approximately 1.6 million of Pakistan's poor households (i.e., about 31 per cent) receive transfers in some form; 1.3 million of these are in rural areas. By far the highest coverage is of remittances from within Pakistan, benefiting over a million poor households in Pakistan that receive remittance income from within the country.*<sup>3</sup>

The issue of family-less earning members staying within the settlements, especially in cities such as Karachi which are relatively developed, introduces complications in terms of informal settlement development. Since these members of the society do not have any family or emotional ties within the environment, their commitment towards its development is not assured. The main difference between Karachi and Faisalabad is that there are more family-less earners in Karachi than in the latter. Therefore, it can be deduced that market towns attract a larger number of migrants.<sup>3</sup>

#### **4.4.2.12 Market for Produce (Primary Source)**

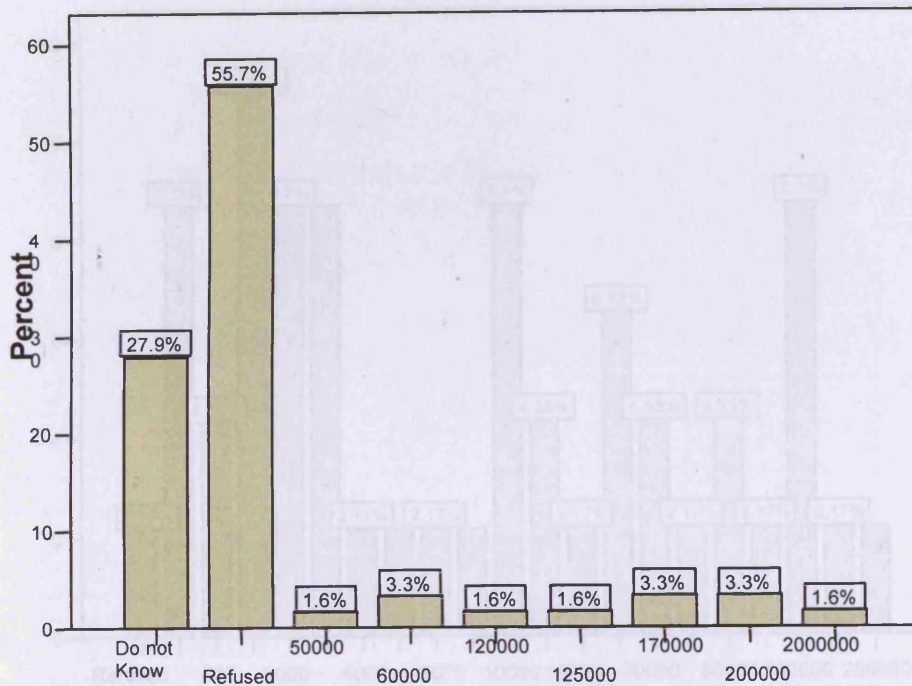
For a product to reach the level of city market or international markets, its most important aspect is quality. Due to restrictive market demands within the settlement, competition is not considerable, yet bigger markets demand high standards and competitive prices. Thus the middleman economy starts to grow. This is very common in larger cities. The middleman not only acts as an agent between the producer and main market, but also provides required capital for production. Both Karachi and Faisalabad have shown trends that the quality is dependent on the number of funds invested in the enterprise and the working capital. The usual practice is that

the initial establishment cost (fixed capital) comes from the owner or family, but the working capital is provided by the middleman. The middleman becomes a very important part of informal settlement development. We can call the economies of the informal settlements to be basically middleman economies. Apart from working capital, another most important demand towards the improvement of quality and quantity is the provision of equipment. Most home-based industries have either manual machines or old models, which in acts as a drawback when it comes to competing with relatively large industries. At the same time, the production cost increases and profit margin decreases. One fact that has been recurring with data from Karachi is the high refusal rate for questions pertaining to financial situations or issues relating to them.

#### **4.4.2.13 Capital Investment**

In any industry, capital investment is the major factor towards its systematic initiation and later development. For a settlement to survive it needs to have enterprises to sustain it, and as the survey shows most of these are self-funded. The scale of the enterprises can be evaluated from the amount of capital invested in them. In an intermediary city such as Faisalabad, the maximum amount invested as capital has been approximately Rs. 200,000 (Graph 4-47). This is not a huge investment in terms of the general expenditure for an industry. Most of the cases show that this investment is made towards the purchase of machinery and equipment required, rather than of the setup itself. In Karachi, the situation becomes more abstract (Graph 4-46). Approximately 25% of the owners have no idea of the amount of money being invested in their industries; the reason is that they develop or expand it on an incremental basis.

## Capital Invested into the Enterprise - Karachi



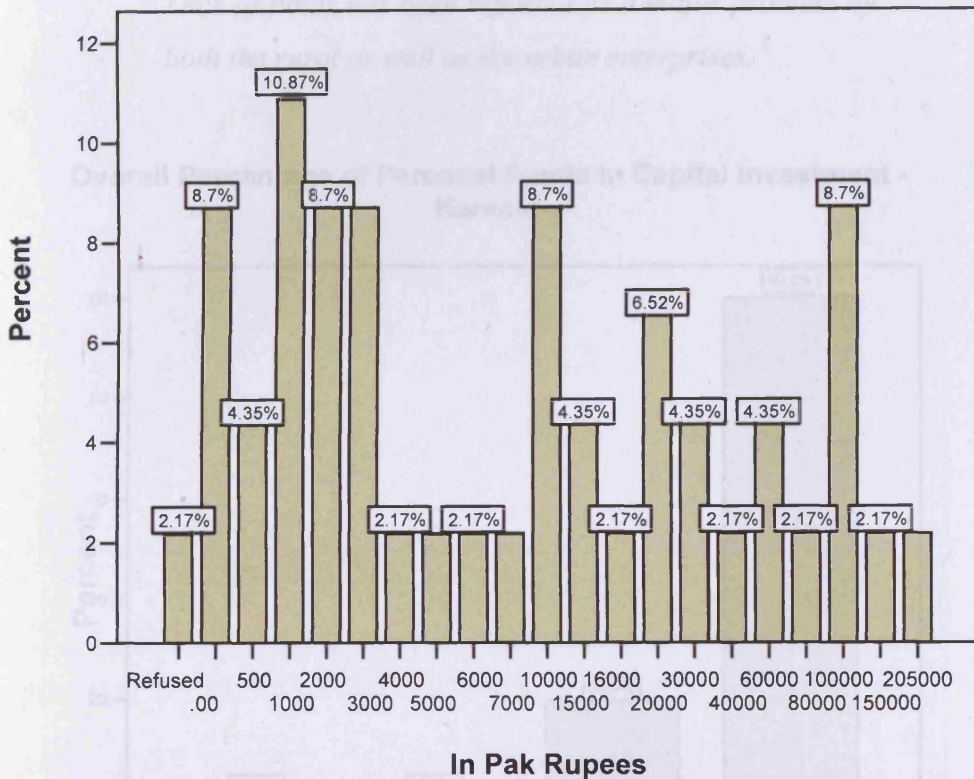
In Pak Rupees

Graph 4-46

### 4.4.2.14 Sources of Investment

Around 80% of owners have invested their own funds, as in the case of Faisalabad (Graph 4-49), while several 60% have in Karachi (Graph 4-48). This shows a trend that as entrepreneurs consolidate, more options are available for finance and loans. This is related to the 'security of tenure' as the domestic sector becomes a guarantee for small lenders. Another aspect to consider is the growing influence of the middleman within borrowing from government or financial institutions if not considered to be an alternative (Graph 4-50 and 4-51). Firstly, due to the meticulous procedures, and secondly, for their not having enough security as collateral. Although most of the owners wish to expand their business and industries, the provision is not there because of a shortage of loans (Graph 4-52 and 4-53). They are willing but hesitant to expand their businesses, as they deem that such action would not be met favourably. Recent developments in community micro-finance procedures have proven a huge

### Capital Invested into the Enterprise - Faisalabad



Graph 4-47

#### 4.4.2.14 Source of Investment

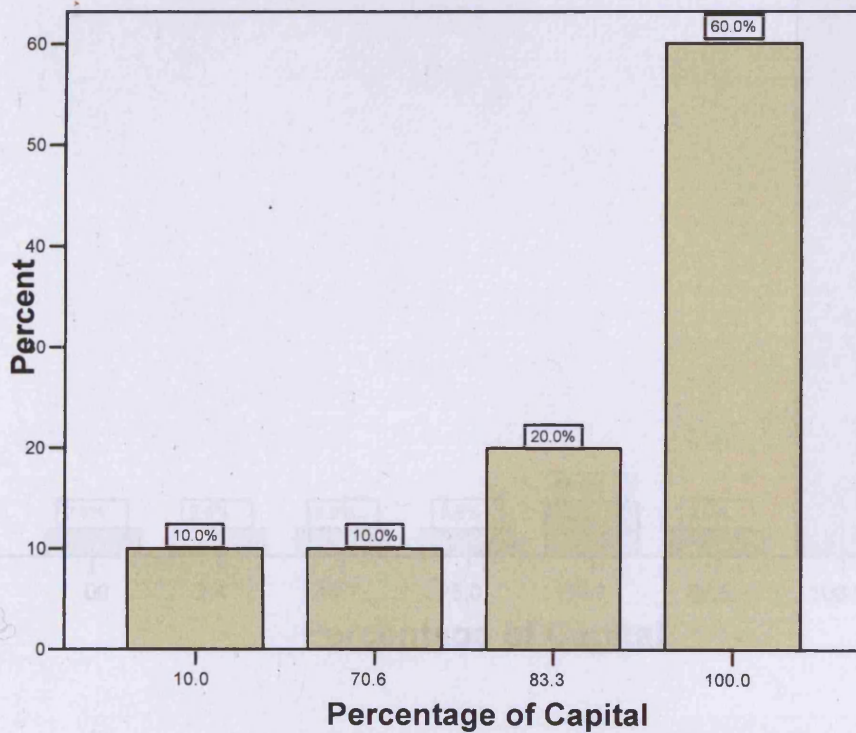
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success. The Orangi Micro-credit Programme has proved how community oriented loans help to resolve issues of collateral and guarantees.

*Lack of funds has been reported as a major problem by both the rural as well as the urban enterprises.<sup>2</sup>*

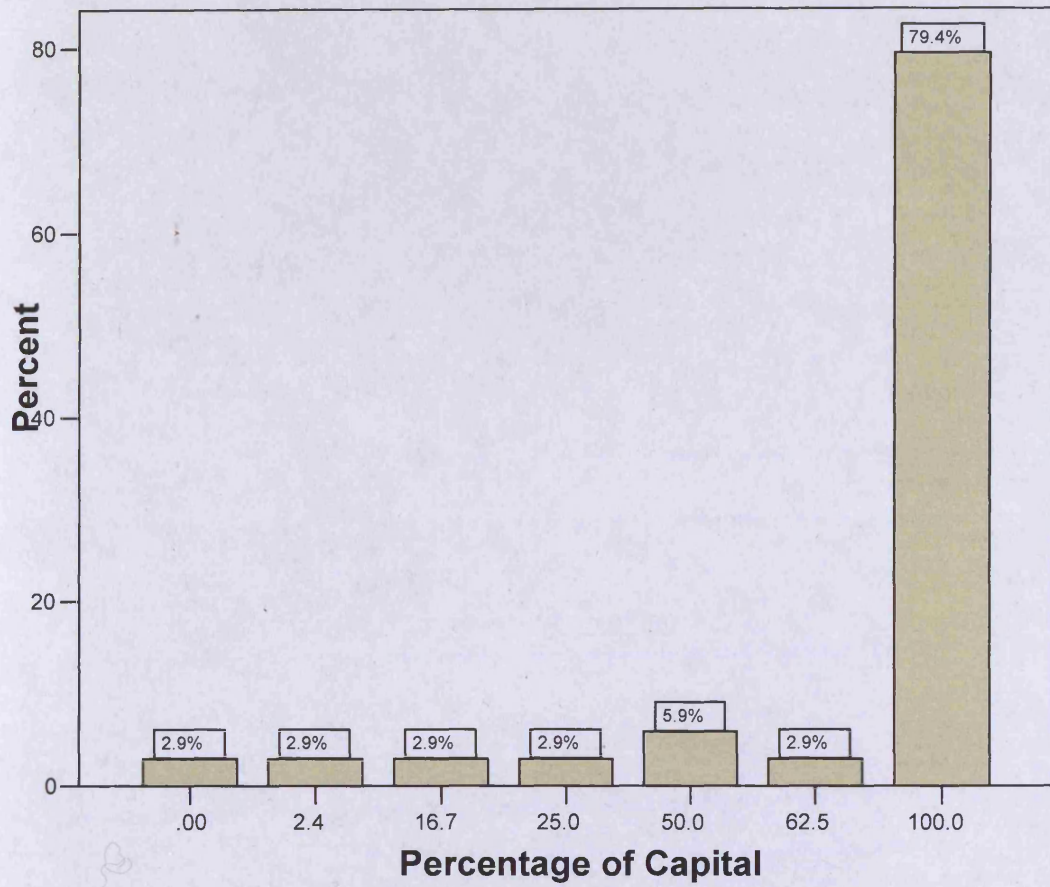
**Overall Percentage of Personal Funds in Capital Investment - Karachi**



**Graph 4-48**

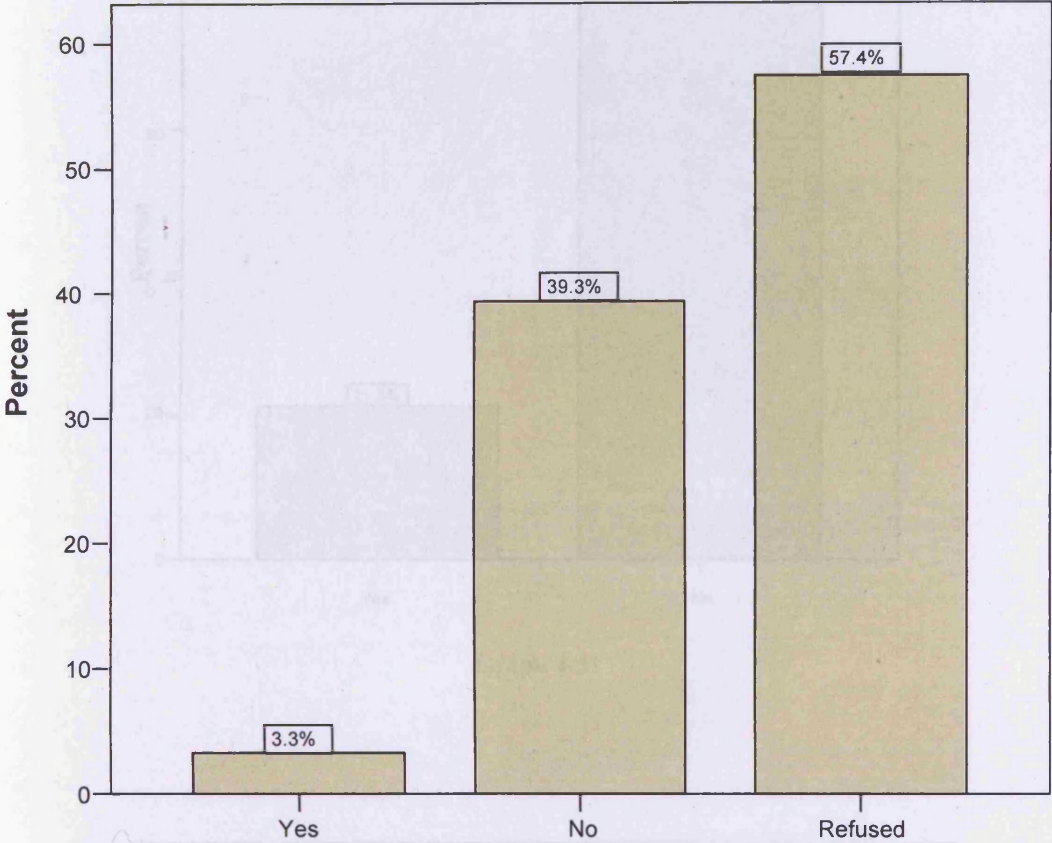


### Overall Percentage of Personal Funds in Capital Investment - Faisalabad



Graph 4-49

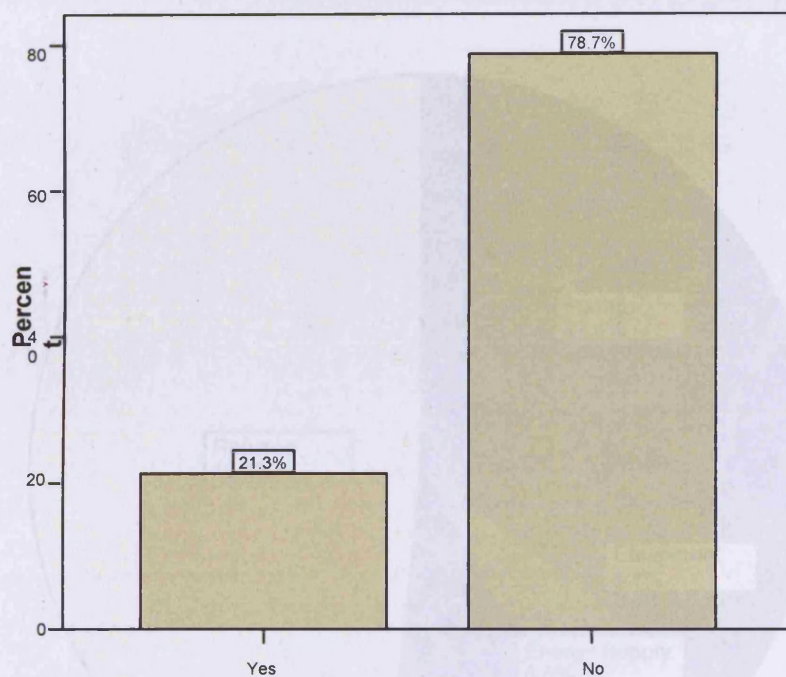
### Was an Attempt Made to Acquire Loan - Karachi



Note: Fields for both Karachi and Faisalabad were used for the survey. In Faisalabad the survey was conducted in Urdu and English. Hence only two fields have been provided.

Graph 4-50

### Was an Attempt Made to Acquire Loan - Faisalabad

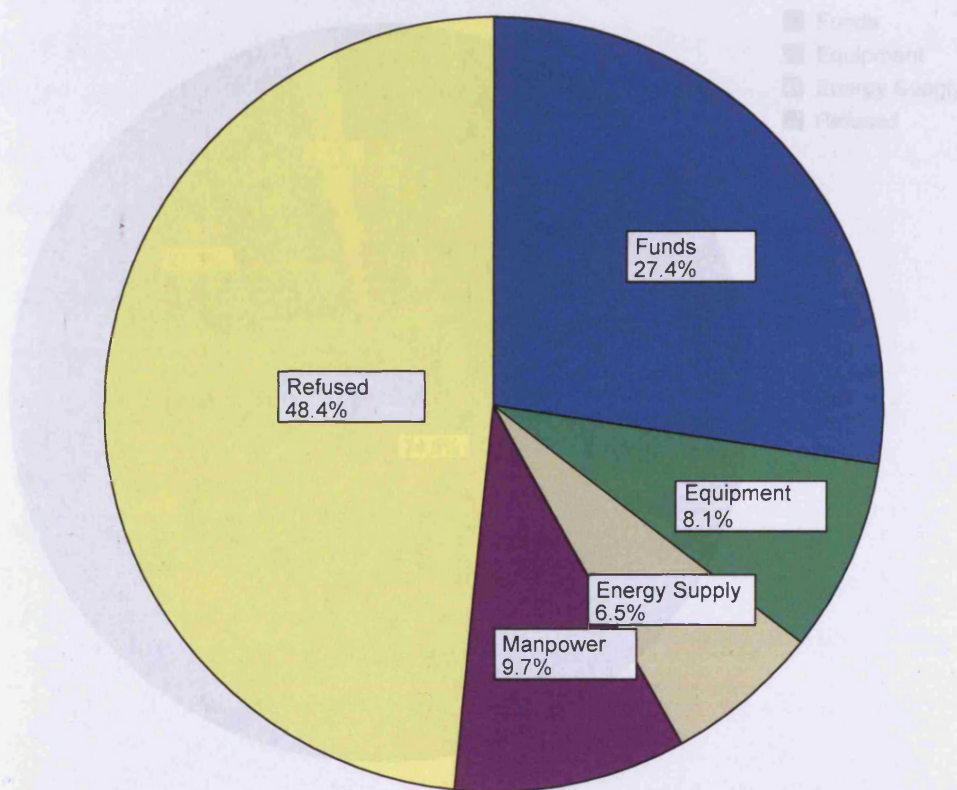


Graph 4-51

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the field 'Refused' yielded zero response. Hence only two fields have been plotted



## What is needed to improve sales quality and quantity?



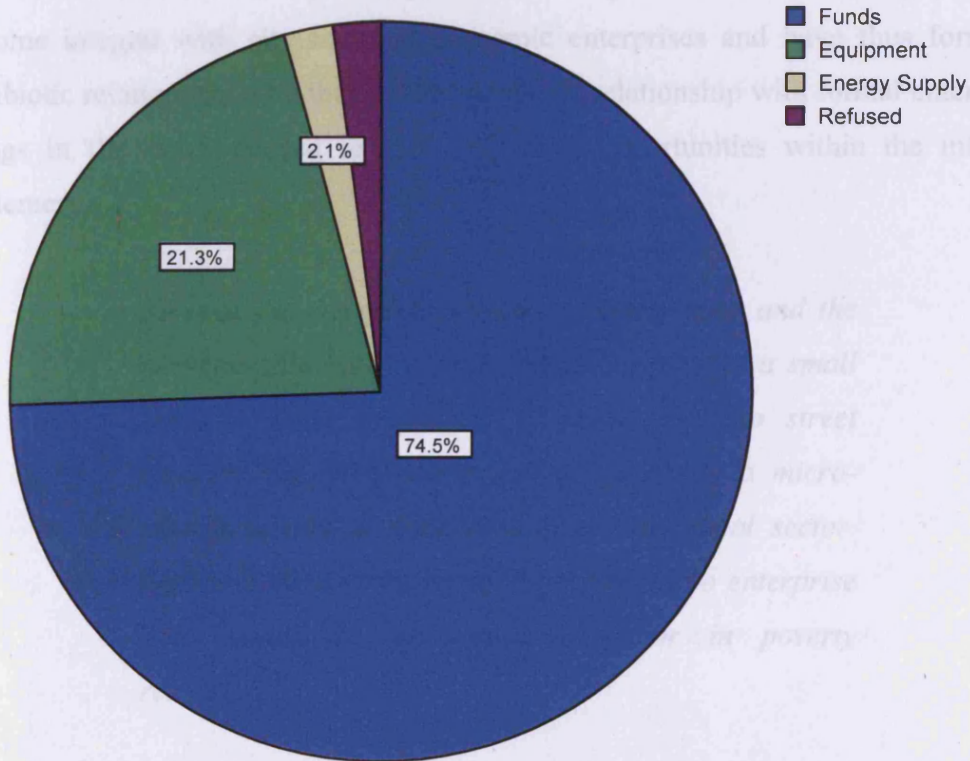
Graph 4-52 Karachi Figures

Note: Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the 'Manpower' yielded zero response. Hence only four fields have been plotted.

### 4.5 Discussion

The data gathered has shown that most respondents within informal settlement have their work place either at home or in close proximity to it. Also the market for the produce also lies within the informal settlement hence the varied types of establishments which are manufacturing, retail and service. The comparative study between Faisalabad and Karachi has shown the development pattern of informal settlements. The development phase of informal settlements starts from securing the land then

**What is needed to improve sales quality and quantity?  
Faisalabad**



**Graph 4-53**

**Note:** Fields for both Karachi and Faisalabad survey are the same. In Faisalabad the 'Manpower' yielded zero response. Hence only four fields have been plotted.

**4.5 Discussion**

The data gathered has shown that most residents within informal settlement have their work place either at home or in close proximity to it. Also the market for the produce also lies within the informal settlement hence the varied types of establishments which are manufacturing, retail and service. The comparative study between Faisalabad and Karachi has shown the development pattern of informal settlements. The development phase of informal settlements starts from securing the land then



generating income and making the settlement self sufficient and then integrating with the city. Intermediate cities like Faisalabad (in Pakistan) are trying to reach the level of self sufficiency, while in Karachi where the settlements have come within the city precincts settlements have not only reached the goal of self sufficiency but have become integral with city's formal economic enterprises and have thus formed a symbiotic relationship with them. This symbiotic relationship with formal enterprises brings in the much needed revenue and work opportunities within the informal settlement.

*Most of the enterprises of the extremely poor and the non-poor are located in the house itself or in a small shop. A large proportion of them are also street vendors. None of the extremely poor run a micro-enterprise unit of their own in the industrial sector. Enabling the poor to set up their own micro enterprise units would be an important factor in poverty reduction.<sup>2</sup>*

Research survey also consolidated the following observation from UNDP that financial help is crucial for at least initial sustainability of small enterprises within informal settlements. Since at present no alternative apart from personal or family support or lending from loan shark is possible the households either leave their enterprises as it is or tend to borrow from loan sharks if in dire need hence plunging further into poverty.

*An overwhelming proportion felt that enhanced availability of credit would be helpful in the business. Better location has been the second most important factor and lack of transport facilities as the third. The last two in fact are related to marketing problems.<sup>2</sup>*

The survey and other literature quoted above have helped in understanding the real-life issues faced by the people living in the informal settlements. One aspect that can be deduced is the lack of financial stability, which draws the whole populace within

the circle of poverty. Therefore the very act of development, and in particular sustainable development, has first to address the obstacle of poverty. The World Summit for Social Development defined the situations and manifestations of poverty:

*Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition, ill health; limited or lack of access to education and other basic services, increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion.*<sup>1</sup>

The survey has highlighted the fact that in cities like Faisalabad where development initiatives have just started civic amenities have not been developed to the fullest leading to unsafe environment and increasing medical cost per household. Also the level of education is mostly till secondary school level hence the livelihood opportunities are restricted.

*It is also characterized by a lack of participation in decision-making and in civil, social and cultural life... Absolute poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services.*<sup>1</sup>

The above definition characterises poverty in two ways, as poverty of rights as well as economics. In the case of informal settlements, both are of prime importance. People's dearth of rights intensifies the dire financial condition of the households and ultimately forces the poor into further poverty. In the preceding chapter, rights poverty was discussed in terms of land rights and economic independence. The issue of end-user involvement becomes of vital importance when discussing the issue of rights poverty.

*In the period 1980 to 1999, development expenditure fell from 40 per cent of total government expenditure in 1980-81 to 13.5 per cent in 1999-2000. The adverse effects of this trend on the GDP growth was accentuated by the growing inefficiency of the development expenditure induced by politically motivated projects and wide spread corruption. <sup>2</sup>*

Although government has attempted through various projects in the past to adapt development projects in terms of housing, but the decrease in financial resources has limited its capabilities. Apart from that the unstable political environment of the country has further aggravated the situation and political will seems to have ruled the faith of development scenario in Pakistan.

*According to the government, about 0.5 million persons, which is 40 per cent of all new entrants to the labour force, are added to the ranks of the unemployed every year. <sup>2</sup>*

With the inability to provide job for its citizens most residents of informal sector are left with the option of taking up jobs within the informal settlements and hence the enterprises become job markets for fresh labour. Decrease in construction project and industrialization has increased the unemployment rate within Pakistan.

*In the urban areas, the employment status, informalization of the work force and the low level of productivity of micro enterprises constrain income levels and give rise to poverty. <sup>2</sup>*

*Besides having lower incomes and fewer assets than the non-poor, the poor are generally unemployed or underemployed, and are wage earners. The lack of employment opportunities, particularly in a period of*

*economic recession, has dragged households into a state of acute poverty. To counter this, some opt for secondary employment (and are therefore underemployed). However this is unlikely to fundamentally improve their status, and the probability of such households being poor is also high. Interestingly, those who manage to become small entrepreneurs (self-employed) are able to improve their standard of living and are less likely to be in a state of poverty.<sup>2</sup>*

The inability of work opportunities within formal setup also means that workers are denied their right of union representation as most informal enterprises are illegal in nature. They have to accept the lower wages and the nature of their employment is adhoc.

*... poverty is a multidimensional concept. It refers to being denied not only adequate income, but also the opportunity to improve one's standard of living.<sup>2</sup>*

*... the most important change that has taken place in informal settlements is that trade, commerce, manufacturing and education has developed in them. This, along with the struggle against the various lobbies that operate against them, has produced a large number of leaders and activists who are constantly in touch with formal sector agencies and service providers. What is also important is that this leadership and activists belong to the second generation of informal settlement residents. Unlike their parents or grandparents they are not pioneers. They have a claim on the city and have an urban culture. Hence it is not in their nature to accept marginalisation quietly, and much of the violence and conflict that cities face today are the result of the*

*marginalisation of the second generation of informal settlement dwellers.<sup>4</sup>*

Although informal settlements in their early stages are concerned primarily about their tenure but as the settlements consolidate and a new generation grows within the area they tend to work towards betterment of their surrounding. Most settlements in Pakistan are going through this phase of change or have started to understand the need of changing their environment. Under the circumstance a fresh attitude towards development needs to be studied and promoted. The alternative for informal settlement development has began at both informal and formal level but research based decisions still need to be incorporated for sustainable development of informal settlements.

An overview of economic enterprises within informal settlements by Kemal (1998) and quoted in SPDC (Social Policy and Development Centre Annual report 2000) follows and summarizes the basic characteristics of informal enterprises within informal settlements.

*Kemal (1998)<sup>3</sup> have profiled the informal sector of Pakistan on the basis of a random survey of 1,500 urban enterprises. Their principal findings are as follows:*

- 1. Over one third of the entrepreneurs are in the age group of 40 and above. While the majority joined the informal sector when they are unable to get jobs in the formal sector, a significant proportion stay on permanently.*
- 2. Over 80 per cent of informal sector entrepreneurs are educated, but mostly with only primary or secondary education.*
- 3. Over 90 per cent of the enterprises are individually owned. The incidence of partnerships and other legal forms is very rare.*
- 4. Fewer than 40 per cent of the entrepreneurs own the premises of their workplace*
- 5. Nearly 60 per cent of the enterprises are fewer than ten years old.*
- 6. Over 60 per cent of the manufacturing enterprises have a subcontracting relationship with firms in the formal sector.*
- 7. The average number of people employed in an informal enterprise is 3.3.*
- 8. The self-employed and family helpers account for about half the labour force.*
- 9. A major source of skill acquisition is the ustad – shagird (master-apprentice) system.*
- 10. The average number of hours worked per week is 60.*
- 11. Informal sector wages are generally relatively low, ranging between Rs. 1,500 and 1,700 per month. The self-employed earn more, averaging Rs. 5,600 per month.*



12. *The average capital-labour ratio of informal enterprises is about Rs. 100,000 per worker – over twenty times less than for the economy as a whole.*
13. *The capital-output ratio is 0.3 as compared to over 3 for the entire country.*
14. *Labour productivity per worker is Rs. 85,000.*
15. *The rate of capacity utilization is about 70 per cent in manufacturing enterprises and 80 per cent in service enterprises*
16. *Savings represent more than 50 per cent of the source of funds. The next largest source is reinvested profits. Only 8 per cent of the funds are from banks.*

The purpose of the chapter is to analyse the importance of economic enterprises within informal settlements and their ability towards development initiative. The data discussed in the chapter suggests that although the residents of the informal settlement are unable to finance an environmental development project at any one instance but the possibility of incremental development is more in line with their earning capabilities. Since the earnings are mostly derived from the economic activities within informal settlements hence this resource needs to be strengthened both in terms of legislature and finance. In a broader picture the economic activities give the opportunity for better social standards because once the enterprises within the informal settlements are developed and linked with formal economic enterprises within the city not only funds but also the need for qualified manpower initiates a culture of learning and development. In case of Pakistan where development budget has decreased during the past decade self help projects need to be supported at least in terms of policy by the government. Meantime government also cannot let private contractors run the city master plan. Hence a middle ground needs to be formed for the future of existing informal settlements.

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## *Chapter 5*

# **Development Stakeholders**

### **5.1 Introduction**

The preceding chapters have discussed the actions that various participants play towards the development in terms of planning and implementation procedure. The purpose of this chapter is to understand the roles currently played by these actors, their potential and drawbacks towards a development initiative within informal settlement. At present, development work is being carried out by several organisations that represent government, non-government and communities. There is a feeling of incoherency as various actors are involved in the blame game, primarily the public and communities are against government and international organisations. Over the years internationally funded projects and government plans have not produced the anticipated yield, hence the unease between the different actors.

The reasons for the discrepancies pertain to the roles of the individual actors. At the moment most projects for informal settlement development are being carried out on the basis of either government-international donor partnership or local NGO-community partnerships, where the third party is under pressure to accept the demands of the coalition. International donors are the only actors that do not feel pressure, but are widely criticised for non-community friendly projects.

Apart from the role of actors, microfinance is also discussed in the later part of the chapter. From analysis it was shown that besides the security of the establishment, financial constraint is the major hurdle towards the development and expansion of economic activities within informal settlements. The importance of microfinance in relation to research is discussed in the section. It is important to see not just the factors that are the cause of the current state of affairs, but also the ones that can help bring about the required and proposed changes. Internationally, microfinance has been considered a successful technique and even the government of Pakistan has launched several projects to support the economically deprived entrepreneurs.

The socio-economic conditions of most informal settlements require government attention as a response few have started working on a self-help basis. It is to be noted that a major breakthrough was in Karachi through the Orangi Pilot Project, and although it is being replicated across the country, it is not within the means of a single organisation to train the entire country. The following account highlights the part played by individual actors and the relationships that they have with each other.

## **5.2 Government of Pakistan**

The Pakistani government over the years has continuously faced political upheavals: two wars, the continuing Kashmir conflict, the war in Afghanistan, armed conflicts against cross-border terrorism and lately a devastating earthquake (8 October 2005). For the first time in many years, an elected government is expected to complete its term. In accordance with the constitution of Pakistan, the government is to provide basic human necessities to its people. Previously this has not been possible for the government due to continuous political instability, international sanctions and natural calamity.

Government is a general term used for the administration incharge of the country. In Pakistan three tiers of government are involved in the running of the country: Central or Federal government, Provincial government and Local government bodies (city level). Apart from that, few specialised departments are also responsible for development projects; to illustrate, Katchi Abadi Directorates and Pakistan Poverty Alleviation Fund. It is true that government has not been able to provide for the entire

population due to financial constraints. Certain desired actions such as the preparation of master and infrastructure plans need to be carried out through official sanctions only. Lacking such initiative cannot be excused by the government.

Over the years the citizens' faith in their government has dwindled due to unfulfilled political promises, corruption and red tape. At times, the government has tried to formalise development projects. Pakistan needs revolutionary changes in the fields of agriculture, education, health, social security. Change is also required for most of its infrastructure, including its livelihoods to alleviate poverty. In recent years, the high cost of fuel and the import of wheat and sugar has increased the burden on the government exchequer. Over the years development projects especially for informal settlements have been associated with political aims. Frequent changes in politics have led to the neglect or discarding of the projects undertaken by the preceding government, to the cost of the majority of the people.

### **5.3 Non-government Organisations**

Non-governmental organisations play a vital role in the materialisation of development projects for informal settlements. Though they are different from civil societies, their linkage with such can form a strong alliance. These NGOs are mostly at the city or town level. Although they are approachable by the local communities either directly or through representation via CBO's (community based organisations). Over the years non-government organisations have varied in nature, some are welfare, others development. Those in the development sector get classified further as either research or grass root level organisations. No matter what provisions are contained within their mission statements, they form a critical platform for the civic projects carried out by government or international financial bodies.

Non-government organisations can be either multi-directional or single-goal oriented. Their success lies in the fact that they comprise technical staff, and hence combine understanding of technical details with the affected communities in informal settlements response tend to produce better results. Non-government organisation can also be divided into hierarchical order,



- Organisations at the national level
- Organisations at the city level
- Community based organisation
- Lane activists
- Residents

Hence the division of non-government platforms is democratic. Most of the non-government organisations are funded by international donor organisations or through fees received from consultancies to various actors (government, IFI's or donors). Over the years, NGO's have also started programmes in capacity building. The capacity building process reduces the work load of the NGO, by training qualified individuals from the community within informal settlement. It would help in monitoring and maintaining the development project.

#### **5.4 International Financial Institutions and Donor Organisations**

International financial institutions and donor organisations usually co-operate with the national government. They are the major investors and need security for funding. IFI's have been criticised by the public for their lack of co-ordination with the target population. The projects funded by them have not been popular with local people due to their ineffectiveness or due to mass population displacements as a consequence (Lyari Expressway).

International organisations have their own mandate as to the type of development initiatives that they sponsor. Government is the only source of information; it is only lately that organisations such as the Asian Development Bank have started incorporating local and national non-government organisations in their discussions. Funds are distributed to governments only. The nature of aid given by international financial institutions varies.

#### **5.5 Residents and End Users of Informal Settlements**

This segment of society in the past has been sidelined both by the government and the donor agencies. The attitudes can be a result of residents' own reluctance in taking part in any development initiative. This reluctance firstly is the initial residents' fear

that their occupation of land is illegal and they do not have reasons to make demands. Secondly, in the past there was a general belief that development was part of the government's duty and is entirely dependent on political requirements. Over the years this attitude has started to change: Orangi is an example of such an attitude change. Though in smaller cities, development is still considered to be a part of the government's responsibility.

## **5.6 Relationships**

### **5.6.1 Government with Non-Government Organisations**

Recently, government and NGO relationships have begun to consolidate<sup>1</sup>. From the experience of the Orangi Pilot Project which was one of the forerunners in initiating a public-private partnership for informal settlement development during the 1980s, it was deduced that both are important members for the success of development projects. Important criteria in this partnership are the elements of trust and transparency, although transparency is a general term and is one of the key elements in any partnership. In the case of government and non-government organization affiliation it becomes vital as in certain cases NGOs become the representatives of civilians. It has been noted that at times NGOs tend to become part of civil societies and therefore end up polarising themselves. It is also important for sustainable development initiatives to have non-political representatives who are impartial to all parties concerned. Pakistan, having a volatile political scenario cannot afford to have development projects run by political organisations. In the past, such practices led to redundant and at times repetitive proposals. The human resource is divided by politics due to personal affiliations to ideology and vested interests. Sustainable development on its own accord is an ideology and needs extensive groundwork to implement in any society. Developing countries such as Pakistan are already faced with huge external debts and security concerns both from within and outside their borders. The process of development needs funding with which the government is unable to cope. It is faced with mounting debt repayments and service obligations. Under the circumstances it becomes vital to include the people in the process. In Pakistan's case, over the years housing and infrastructure development issues within urban areas have multiplied due to the spiralling population growth and migrating

demography. Lack of planning and non availability of amenities facilitated the growth of an informal sector. At present to attain a level of sustainable cities, existing issues need to be addressed. Primary, secondary and tertiary development plans are required. Public-private partnership is the only way where development costs can be shared by civilians and government.

Non-government organisation, as explained in the earlier section is a broad term. Under its umbrella, community-based organisations and local activists participate. For any plan, a hierarchy of command is required. An organised structure would help to empower people. This is only possible if the characters in the process understand their roles. Non-government organisations need to disassociate themselves from other activities in the communities within informal settlements. It has been observed in working with the Orangi Pilot Project (an NGO) that an association with a local CBO (community based organisation) is more helpful than going into the informal settlement by itself. This generates confidence and people are inclined to be more vocal about their needs. NGOs need to adopt a consultancy-role, both for the government and the citizens.

It is vital for both partners (government and NGO) to understand their respective roles in the development initiative for informal settlements. Any development done at local or secondary level has an effect on the master plan (at city or district level or even provincial and country level). Thus a mutual understanding of the type of initiatives for sustainable development of informal settlement needs to be worked out. The Orangi Pilot Project (OPP) through its sanitation programme has been able to demonstrate both successful and unsuccessful partnerships. In either case, apart from community participation, government support has been vital, too. The internal and external model adopted by OPP has proved that if primary development work (external) is done by the government, informal settlement communities can finance the internal development. This initiation of self reliance is being replicated across Pakistan at this very moment.

This sort of partnership is important because the ultimate goal of sustainability is to achieve a balance between the environment, social and economic endeavours of communities and individuals. It has been proved by the research survey that

environmental up-gradation is dependent upon the financial capacity of communities within informal settlements, which has a bearing on the earning capacity of the individual members. In recent years, the government of Pakistan has been working towards strengthening the small industry base and in the process has initiated several departments and programmes. Some of its main achievements have been SMEDA (Small and Medium Enterprise Development Authority), SME Bank (Small and Medium Enterprise Bank), Khushhali Bank, Pakistan Poverty Alleviation Fund, and Rural Support Programme. Apart from the last two, the rest are working under existing prudential laws. Therefore, the question of collateral becomes vital. Khushhali Bank although is providing small loans up to (U.S. Dollar) \$500 for working capital and asset purchase - this initiative of the government for the provision of small loans is commendable. Not only does it show a commitment by the government of Pakistan towards the process of individual livelihoods, but also that the steps that they are taking are practical in nature. The bank deals with both urban and rural applications. The main hurdle in this plan is the bank's limited geographical coverage. Presently, the Bank does not have a large enough network of branches and therefore its approach to poor households is restricted.

NGOs in this regard have started to come up with local microfinance facilities. The major drawback to this is lack of training. Secondly, for reasons of cost, they too have very small coverage areas. Their major funding source either is grants from international non-government organisations or revolving loans from the local banks. It has still to be seen whether participation in the microfinance sector would produce viable outcomes. Here too the external and internal model can be replicated using NGO/CBO social networks as security. It is important to note that the government's microfinance banks can provide the funds and therefore use the existing network's established by NGOs.

This public and private partnership has its benefits, but one cannot overlook the negative aspects of such relationships. As is apparent from OPP's (Orangi Pilot Project) case-study in Faisalabad, political rivalries develop, once an NGO or a CBO (Community Based Organization) consolidates its roots in its target informal settlement. Such adversities hamper the relationship, as politics get involved. The NGO needs to establish itself as an impartial development partner and its leadership

needs to be qualified technical staff. Another benefit of such an affiliation is that it makes a project more transparent and enables local issues. On the other hand it has a tendency to exert far too much pressure and thus hamper the overall development plan of the government. To reduce the chances of such a conflict government and local organisations need to establish a relationship from the very start of the project. This not only would help to generate local support but adequate monitoring and maintenance teams could also be formulated from the resident groups within the informal settlement, thus curtailing government expenditure in the two above mentioned areas.

The idea of public and private partnerships is in the trial stage. It has still to be seen whether such a partnership would develop in a microfinance capacity, but international case studies such as Grameen Bank (Bangladesh) have shown their merit.

### **5.6.2 Government, International Finance Institutes and Donor Organisations**

International Financial Institutes (IFI) and donor organisations have provided funds for various projects running in Pakistan. Its poverty alleviation programme is primarily funded by them. Apart from umbrella programmes, international institutes also support infrastructure development, capacity-building and sustainable development efforts. Funds are apportioned as grants or loans. Loans carry interest and a debt-servicing burden, and therefore add to the overall poverty of the country. Over the years, the government with international institutes have started many projects ranging from those concerning the urban infrastructure to rural development, deforestation and irrigation. During the 1990s Pakistan's debt increased because of the interest and debt-servicing burden on traditional commercial loans instead of grants and soft loans. Pakistan was forced into getting loans as the foreign aid commitment declined from \$3,025 million in 1994-1995 to \$1,759 in 1996-1997 and further dipped down to \$665 million in 1999-2000 because of economic sanctions<sup>1</sup>. The post earthquake scenario was similar, although international agencies came forth to help. The government had to cover the cost of the financial aid for the natural disaster through loans. To illustrate, the Asian Development Bank gave a grant of



\$80 million and a loan of \$220 million for livelihood development in the earthquake struck zone.<sup>2</sup>

International donor grants are at present supporting both community and government efforts towards development within the informal settlement. International organisations have limited their monitoring capabilities. It is a usual practice to let the local government take up the implementation and monitoring process. This leads to hegemony over the project. Questions of transparency and reliability become important. In the past projects initiated by IFI's and governments have not yielded any public support because they are not in adherence to local demands, or are designed on international standards, which may not always be the most likely choice. This distance from the main target group undermines the overall project and in turn tarnishes the reputation of the international institutes. The government relationships with international organisations are dependent on national security and political stability. In past years unfavourable circumstances have hampered continuous support of these organisations for example the sanctions against nuclear tests. Apart from that, the security of personnel working in the organisations is also of prime importance. Institutes at times are forced to close their offices in certain areas in Pakistan (Peshawar is an example) where their employees' lives are at stake. The relationship of IFI with the Pakistani government is dependent on both the foreign and internal political situation. It is not a reliable source of funding, but Pakistan is in dire need of finances for its development initiatives. Cutting out this major source is not an option under the present circumstances, not at least for next few years.

### **5.6.3 Government with End Users**

The relationship between citizen and state has to bridge political instability. Unfulfilled promises by leaders have led to an atmosphere of disbelief. Development projects have frequently been unsuccessful, especially those that do not address their main problems. This divide has led to communication gap between demand and supply. Projects such as Lyari Expressway are underway at the cost of treatment plants (Lyari Expressway report). A housing crisis has already hit urban areas of Pakistan and people are forced to live within informal settlements as there is no other affordable alternative. The government's initiative to change this growing distance

has been devolution of power and formation of local bodies that comprise of elected officials. Although it is believed to be a democratic set up, it lacks capacity. As the smaller area councils lack technical resources. This retards their performance.

A majority of the population believes that government should be responsible for the provision of amenities. This is explained in the analysis section of the research, particularly the answers from Faisalabad support that view. The majority of the group held the view that government should be taken to task for the provision of facilities. This has led to activism and protests. Pressure, which at times turns violent, is put on government bodies for access to utilities. Government and end user relationships are volatile. Yet, both sides understand that without mutual cooperation projects cannot succeed.

#### **5.6.4 Non-government Organisation with International Finance Institutes and Donor Organisations**

Non-government organisations and donors have a long history of working together. It is general rule that international financial institutions work with governments only; therefore little or no communication exists between these institutions and NGOs unless it is specified by the government. This trend has started to change and lately IFIs such as Asian Development Bank are instigating more non-governmental participation as well; although funds are issued only to governments.

Funds provided to NGOs usually have strings attached to them. Since donor organisations also have their mandates and must follow them, they tend to impose the same on NGOs under their umbrella. In the past there have been pros and cons. From the Orangi Pilot case study and its replication projects, it has come to light that a feasible relationship between donor and receiver would exist if the benefactors' mandates are clear.

Few of the replication projects under OPP's supervision either failed or were abandoned due to the involvement of international donor's example is of Youth Commission for Human Rights in Lahore.<sup>3</sup> One of the main reasons was that the grant-receiving NGO initiated projects to please the donor which were beyond its

capability. Both IFI's and Donor organisations are third party stake holders, they are providing the much-needed funds but they are not in direct contact with the end user. In the case of the donor organisations, they are at par compared to IFI's as they deal with NGOs which are working closely with the informal settlement, while IFIs are dealing with governments which, as stated above, have a more authoritarian view of development projects.

### **5.6.5 Non-government Organisation with Community**

The 1980s saw non-government organisations reaching up to communities in need of technical advice for development endeavours. The Orangi Pilot Project initiated by Dr. Akhtar Hameed Khan brought in the idea of self-finance and self-reliance. The grass-roots level non-government organisations are at par compared to others actors (government and international institutions) for they are in close proximity to the people facing problems within the informal settlement.

There are two ways that NGOs can interact with the community: either they approach the settlers, or the residents approach them. In the first instance, it becomes difficult for the NGO, to both organize the affected community and guide them on the future course of action. The latter approach is more feasible and less time consuming for the community is already organized and the NGO can concentrate on development process.

CBOs (Community Based Organisations) form a vital part in the development process. They are the bridge between the community and technical NGOs. The relationship of CBOs with the community is different compared to the one between NGOs and their communities within the informal settlements. Community based organisations form within the community and usually community members run it. They are usually action-oriented bodies; their main interest can be a single problem or a multitude of them. From Orangi's replication experience it has been seen that CBOs lack technical understanding and need to be groomed in that particular dimension. CBO-NGO affiliation is basically a community NGO affiliation, where the NGO is not directly talking to the community but its representatives. Another

observation made during a replication project is that CBOs need to keep their goals in focus. Too many goal-oriented CBOs tend to divide their concentration away from the main issue and the project stagnates. NGOs on the other hand are more research-oriented organisations and their proposals may be practical but they lack public support. The integration of NGO into the community is dependent on whether the NGO is making the local resident an integral part of decision making or not. The practice of residents being able to take part in major development relations promotes a strong bond between the actors.

Thus the major difference between development NGOs' relationship with communities as compared to government and international organisation is that community is the inclusion of locals in the decision making process. There are two major types of NGOs working in the development scenario of Pakistan, one is research based and the other is at the grassroots level. The former is mostly concerned with research-oriented approaches to the causes and effects of an issue, and policy suggestions. The latter deals with communities, initiates training and local-level development plans. Currently, non-government organisations have started training and knowledge dissipation practice through conferences and papers. The emergence of non-government organisations has given voice to the community and hence their part in empowerment of the community needs to be considered in any development project. Apart from that, these organisations are good as critics towards a development initiative.

### **5.7 Micro-finance or Micro-credit**

*Microfinance or micro credit, by providing small loans and saving facilities to those who are excluded from commercial financial services has been promoted as a key strategy reduction or combating poverty. Access to these facilities is seen as a way of providing the client that are economically active with opportunities for self-reliance through entrepreneurship, cushioning them against economic shock, and providing a means of*

*social empowerment for poor women and men in their communities.*<sup>4</sup>

The above definition of micro-finance describes clearly that it is a cushioning technique for low-income groups. Pakistan's small industries have not had significant promotion over the past 50 years. Growing unemployment and under-employment has forced many household to start their own enterprises and units. This growth particularly in the informal sector has no financial backing, due to legal standing of the enterprise. Over the years funds have either been borrowed from the market or through private lenders. A drawback of this action is that the interest rate is considerably high, at times going up to 25% or more.

*Income generation by supporting SSE's (small scale enterprises) is also one of the central strategies of the UNDP inter-country programme on poverty alleviation. The bilateral and multilateral donor communities have subscribed to the above priorities, with the objectives of finding structural approaches in the fight against poverty, encouragement of the productive use of labour as the most important asset that poor people possess and enhancement of the labour absorptive capacity of the economy.*<sup>5</sup>

The Government of Pakistan and international donor organisations both agree on the issue that the poor need to be provided with an alternative in terms of financial help. It is not possible for every citizen be provided with a white collar job and hence self employment is the only means to control the growing rate of both skilled and unskilled labour. At present the government has taken initiatives such as the Khushhali Bank, whose primary role is to issue micro-credit facilities to both urban and rural enterprises. Also the State Bank of Pakistan has directed other commercial banks to come into the field. However, the second alternative would not be effective as long as the target group is unable to provide collateral. The Khushhali Bank on the other hand, is a workable solution but its main drawback is its narrow network. Located in an urban area, and the catchments area the entire country, the bank would



not be able to make much of an impact towards the government's poverty reduction initiative.

*Non-availability of credit has been identified as a major constraint to the growth of SSE's (small scale enterprise).....banks and other financial institutions are predominantly inclined to make credit available to the large sector enterprises.<sup>5</sup>*

As has been shown, most informal settlement economic enterprises are in need of financial support, either to fund their working capital requirements or expansion plans. The main hurdle in acquisition of loans is the type of collateral. Regularised settlements are not allowed to mortgage their domestic property except for house-building, so the land cannot be used as collateral. As for the machinery and other non-movable equipment, any such commercial production or retail operation is illegal, therefore no bank or financial institute is willing to take the risk. This major hurdle in loan acquisition kills the benefit of a micro credit program. The economic enterprises need to be given legal security.

*Specialized SSE (small scale enterprise) banking and support programmes need to be set up, geared to their peculiar conditions and needs. These programmes would adopt innovative approaches towards issues such as collateral and information dissemination, and would have simplified procedures for loan application and approval.<sup>5</sup>*

Non-government organisations such as the Orangi Pilot Project have started a micro credit program within Karachi and have achieved considerable success<sup>10,11</sup>. Their approach to issuing loans is on the basis of guarantor rather than tangible assets. The guarantee is usually received from people who know the client. This curtails the need of land as collateral. Without the need of material collateral, bank or other financial institutions with the partnership of local NGOs can be good alternatives for the promotion of such a concept. As the Khushhali Bank's main problem is its small

network, it can benefit from local-level partnerships and also have the security of loans. Apart from that, the Pakistan government has also floated the idea of NGOs starting their micro-credit finance programs and these NGOs can change their status to banks after completion of regulatory requirements set by the State Bank of Pakistan.

## **5.8 Conclusion**

This section of research has tried to highlight the role played by each actor on its own and in relation to other partners. This aspect of the research is important, for in previous sections, development procedures and their consequences upon informal settlement have been discussed. For any development plan to work, it is vital to understand the workable limits of various actors and their likely partnerships. The Government of Pakistan has made several attempts both on its own and through the help of foreign donors to initiate development projects. The projects planned and implemented by the government mostly have ended in failure. The main reason for this is a gap in communication between the end-users and administration. Since the 1980s another actor (non-government organisations) has come to the fore. Ultimately, open dialogue between the actors is necessary for any development plan to work.

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## *Chapter 6*

# **Conclusion**

The research carried out has substantiated the initial arguments for existence of relationship between economic activities within informal settlements and the development of the settlement. While these arguments were based on the hypotheses, the research incorporated both qualitative and quantitative data. Apart from raw data, case studies formed an important part in understanding the development process in the context of Pakistan.

The issue of sustainable development within the urban centres of Pakistan requires a degree of sensitivity towards the economic enterprises run by the local residents. The idea of self-funded development projects has been in Pakistan since the early 1980s. To take it a step further, to the sustainable development level, all components of social, economic and environmental development need be addressed. Within informal settlements social ties are strong and get even stronger with joint efforts for acquiring the various civic amenities. Environment and economics are the two criteria which have not been able to keep a similar pace to the social bonds. This research has showed that this gap is due to legal policy hurdles, financial constraints and research capabilities. This research has looked at the component of economic enterprises and outlets within residential informal settlements in Pakistan and the role that they play towards development initiatives. The economic enterprises are employment hubs for

settlement and they form an integral part of the settlement dynamics in terms of day to day life.

The research has shown in its analysis section (Chapter 4) that the informal settlements function around the economic activities and are also the main consumer market. The products from the enterprises within the informal settlements are widely distributed through out the city and country at large. Hence resulting in employment opportunities and affordable commodities, the enterprises sustain both job and entrepreneurship opportunities and also markets for the resident. From this research it has been shown that production units are not the only means, retail and service industry are also an integral component and render services to the entire city. But all these activities come under commercial land use thus rendering their existence illegal if they have not been declared or expensive due to high lease rates if they are declared to the government as shown in Appendix 3 (lease rates for informal settlement by Sindh Katchi Abadi Authority).

The research conducted has its roots within the Pakistan society but it can be replicated for other developing countries, keeping in view the social and economic setup prevalent there.

## **6.1 Hypotheses Defence**

Following is the account of four hypotheses which were formulated at the start of the research. They have been discussed individually in relation to research methodology and analytical findings.

### **6.1.1 Environmental improvement is dependent on financial prosperity**

The hypothesis stated in the beginning of research linked the environmental development with individual and community's economic capacity.

#### **6.1.1.1 Literature Review**

It is a known phenomenon that all development is bound to drain fiscal resources of the developing organisation. The importance of economic capacity is vital for the community to finance the development cost. Observations through the study of Orangi's development point towards the fact that, if provided with the necessary



technical assistance, individual communities can upgrade the surrounding environment. Development processes under the circumstance would be incremental in nature though.

#### **6.1.1.2 Research Review**

It is certain that mega development projects cannot be financed by the community, but small scale ventures have had a successful outcome, as was discussed in Chapter 2 where the example of the Orangi was discussed and later in Chapter 5, the role of the key players and their interrelationships in the development process. For development work, the community would need external technical support, where non-Government organisations pertaining to development are involved.

Over the years residents of the government-supported housing schemes and slum areas have improved their living conditions through the process of incremental development. This mode is important for the residents who are daily wage earners, labours or small enterprise owners. According to Article 38 of the Constitution of Pakistan, the Government is to provide for living conditions – however, this would only be possible if it had adequate funds. Pakistan's international debt and burden of servicing these debts makes it difficult, if not impossible, for the Government to come up to the expectations of the public. Therefore the only means of funding development is through grants or private funding and even to some extent soft loans. As discussed in Chapter 5, foreign loans carry with them significant debt-servicing charges and compounding interest, which is paid either from budget allocations, national savings or even additional debt burdens achieved through debt-refinancing. This further decreases the Government's financial capacity towards development programs on an on-going basis. International loans have strings attached to them. Donor organisations have their own mission statements and therefore cannot deviate from them much. Also, planning and programming initiatives are made from international points of view. There is a gap between the local demands and international response. This is due to the fact that international donors and financial organisations are frequently unable to obtain first-hand knowledge of local demands.

Private funding thus becomes the only alternative to the growing demands of better living standards. The research deals primarily with the alternate housing areas that

people are forced to accept due to their financial positions. Therefore it is important for the individuals to achieve financial prosperity and strengthen the community-proposed projects. The case studies clearly demonstrate that within settlements which have been there for years a social bond is developed and hence only two ingredients of sustainability are left, environment and economics. The social bond is formed when individuals of informal settlement come together to get civic amenities from the government, hence development initiatives are also a means of increasing social interaction within informal settlement residents. Once the livelihood is provided with some Government security and assurance, the chances of environmental development becomes a possibility. The statement is backed by the fact that most development is carried out by local financial resources. The hypotheses thus holds true to this effect for the examples of development funded by communities clearly demonstrate this reality. In the research analysis section for Karachi, residents have expressed the will to bring about environmental change through self finance. Self finance is possible only if the residents are financially capable. The cross analysis of the income pattern of residents in informal settlement and the initiatives towards environmental development of the informal settlements shows that communities able to save from their income tend to put in funds in their environment.

At the moment there is no protection for retail, production and service outlets functioning within the area; this has been shown through the analysis of the legal documents within this research and hence it becomes imperative to bring about the desired legal change. This change would strengthen the financial base and also provide opportunities to expand. Returns would be visible in further environmental development of the area and hence the requirements of sustainability. Once environmental development of informal settlement is underway, the development initiatives can be taken to the level of sustainability.

In the survey analysis section of this research it is observed that people are afraid to state their earning capacity or the nature of employment. This is particularly true in a mega-city such as Karachi, while in the intermediate cities the social bonding is too strong to allow them such hesitation. Thus mega-cities have a problem of degenerating social ties. The development initiatives bridge these gaps and bring the communities closer as demonstrated through the case studies discussed in the

research. Having a security of livelihood would diminish the fear of declaring the information. For the fear is mostly a result of harassment and the corruption which is prevalent and supported by the current illegal status of the economic enterprises within the informal settlement.

### **6.1.1.3 Outcome**

The grounds on which the hypotheses holds true has been postulated following through the research

- Analysis of Legislative Document proves that at present the economic enterprises within informal settlement have no legal security.
- Survey conducted and analysed has shown that the enterprises within the informal settlements are providing job opportunities and generating household income for both owners and workers within the enterprise who reside within the informal settlements.
- Case Studies have suggested that through incremental development modus operandi residents living within the informal settlements are providing financial resource for environmental development of their areas.
- Through the survey it was proved that the earning capacity of the households within the informal settlements is not high. Therefore with reference to case studies the incremental mode of environmental development would suit. This justifies the relevance of economic enterprise and the direct link with the development of immediate environment.

Hence through above four outcomes the research concludes that the hypothesis **Environmental improvement is dependent on financial prosperity** holds true.

## **6.1.2 For social reasons it is not practical to separate settlement from economic activities**

### **6.1.2.1 Literature Review**

Economic activities or means of livelihood are an integrated part of life for most people in developing countries. High unemployment and under-employment rates are existent throughout the geographical region. From the UNDP survey we can see that

the greatest part of the household income of people who are poor is used up in consumption and therefore very little is left for savings or any other activity. Women who form around 50% of the population are bound by social and traditional norms which curtail the movement and work opportunities for women particularly from illiterate and low income families. In developing countries, informal economies support a huge population in terms of jobs. Some of these jobs are not termed as such, for they become part of a daily routine for the person. These circumstances are common for women, who although active and supporting members of the family have roles that are neither defined nor recognised as bread earners.

#### **6.1.2.2 Research Review**

It was found that the presence of enterprises within informal settlements (retail, manufacturing and services) is due to the accessibility and readily available markets. The survey conducted and analysed has emphasised that existence of economic activities is due to the market forces. As the settlement grows, it becomes imperative for the dwellers to obtain means of livelihood. Not only do the dwellers require livelihoods but the residents require services as well. This demand generates the supply chain, and retail, production and service outlets start functioning in the area. The demand for local production and service is present, for these products are cheaper than high street alternatives.

#### **6.1.2.3 Outcome**

The survey conducted and analysed proved that the economic enterprises give an opportunity for family members to work within the domestic space thus within the social norms the family members can work for financial gains. The presence of market, consumer and skilled labour within the informal settlement creates a demand for services and production units within the informal settlements. Hence the hypotheses **For social reasons it is not practical to separate settlement from economic activities** holds true.

### **6.1.3 For informal settlement development, end-user participation is necessary to achieve sustainability**

#### **6.1.3.1 Literature Review**

In present global environment it is considered vital that people are aware of their surrounding environmental development plans being planned or carried out on their behalf. Over the years Government of Pakistan has instigated various steps to make the administrative process of the country more democratic, a key example is promulgation of the Local Bodies Ordinance 2002. This legislature divided the metropolitan areas into small zones managed by locally elected councillors. Although it is in early stage, the process has a promising future. The development plans at the moment are mostly done on an autocratic basis. Government agencies make a master plan and follow it without deliberation from the people or communities affected as brought out during discussion of roles of various actors in chapter 5 of this research. The gap between people and the Government thus has widened over time.

The self-help idea began in the 1980s and has taken roots within the psyche of most residents of the informal settlements in Karachi. To strengthen the public and private partnership towards development of the informal settlement and to encourage a more transparent environment, it is imperative to include all stakeholders in policy discussion. Public participation at various stages of planning and implementation would also help in monitoring and evaluation of the project. Also in the early stages, dialogue between the stakeholders can help in identifying the issues. Over the years one-sided planning activities have resulted in failures: some examples are Karachi's various development plans, which did not take into account the economic condition of the target groups. The very establishment of informal settlements is illegal, but over the years the Government of Pakistan has not been able to replenish or develop new housing stock, thus making it impossible for economically challenged households to acquire a shelter.

#### **6.1.3.2 Research Review**

From the analysis section it is evident that small and intermediary city-dwellers still put the responsibility of development on the Government as the survey carried out in Faisalabad proves. But same is not true for the megalopolis Karachi where years of



waiting have finally given way to self-help projects. Under the circumstance where people have funded area development, they have become equal partners and therefore cannot be marginalised proved through the case studies of Orangi in Karachi. The success of any development project also lies in its continuous maintenance and evaluation. Unless end users are involved the task becomes difficult. Cities such as Karachi need to have neighbourhood monitoring teams. Although Local Bodies are responsible for the routine maintenance, they would not be able to function *sans* any help from civilians. Most legal documents that have been promulgated follow a standard policy for the entire city. This is not helpful when dealing with informal settlements as their requirements differ from formal settlements.

Households within informal settlements need to have earning activities embedded within their domestic space and Government legislation clearly differentiates between residential and production or retail land use. The land use is not the only criterion which has to be dealt with in terms of legal document, the provision of security in various forms that is social and economic also is of prime importance. The very notion of transparency of development procedure is the key for the success of any sustainable development initiative. It not only brings in social stability but a sense of responsibility as well.

Within case studies it was shown that Orangi and Khuda ki Basti have successfully incorporated end user views and motivated these communities to initiate their own development. Both projects have proved that communities are capable of identifying issues, and with technical guidance are able to resolve these satisfactorily. In that regard Orangi's replication projects across Pakistan have shown that capacity building is key to this hurdle. Training locals in both identifying and problem-solving help decrease the burden on Government and development NGO's, thus funds can be utilised for other primary development work. Here it is important to state that end users not only include the community but all the stake-holders involved in the project.

### **6.1.3.3 Outcome**

The research has shown

- Through analysis of legal documents that although some government departments accept the inclusion of end user participation but at present the involvement is restricted to complaints and post planning critics.
- Through Case Studies like Orangi and Khuda ki Basti it was proved that residents of informal settlements not only have the will but with acquired training have the potential of preparing, carrying out and evaluating the development plan. On the other hand Lyari Evictions case study has proved the huge loss to both material and resource pool in absence of end user involvement.
- Analysis has shown that residents of informal settlements have started taking interest in the social development planning of the area at an informal level. People have started forming organizations to project their demands to government functionaries. The employment section of the survey noticed a considerable number of informal residents working for Non-government organization. Proving that they have potential of giving views about their area development.

Through above discussion it has been shown that **For informal settlement development, end-user participation is necessary to achieve sustainability** is an important factor towards the sustainable development of communities and their environments within informal settlements.

## **6.1.4 Legalization of economic activities would assist in the environmental development of the settlement**

### **6.1.4.1 Literature**

At the moment it is strongly debated that informal settlements are a hub for criminal activities. Legalisation would give workers and business owners the right to borrow from banks and the land on which small industries have been developed can be used as collateral. This would help to procure funds that most respondents to the survey

have mentioned as a hurdle towards expansion. Expansion in business would mean that more funds could be invested in environmental development. It has been shown that Government of Pakistan is unable to support development plans financially. The Orangi model would thus provide a sustainable alternative; but to support self-finance, individual and communities need to have a sound economic base and support of legal framework.

Apart from the fact the small scale industries at present are a hub of informal employment, the Government is losing out revenue in the shape of taxes. The legalisation process would not only be helpful to residents and environment but it would benefit the to Government exchequer too

#### **6.1.4.2 Research**

The analysis section of the theses has brought to light the fact that most people are frightened to disclose their financial status. Not only are they not disclosing the financial status but also the fact of being employed or owning an establishment within the informal settlement is denied. Although this has skewed the data, it has given an insight into the question of legal status. Most industries in the informal settlements are illegal in nature and therefore their existence comes under threat if disclosed. Low response for the possession of tax certificates is an example that the Government is losing revenues from these production and service units.

There are two reasons for the economic activities within informal settlements to be made acceptable. Firstly, once the nature of land use is known, it would help in the infrastructure planning and secondly, in the monitoring of environmentally unsound activities to protect the environment. At present, both planning and monitoring are next to impossible as there are no records except for the personal knowledge of residents of the informal settlement to show the nature of activities taking place within their surrounding.

It has been observed from the legal documents and city by-laws that the Government is keen on environmental development but their own standards are an obstacle to the process. The legalisation process of settlements without any consideration for the economic activities carried within them and imposition of uniform standards for both

formal and informal settlements has had adverse effects. Legalisation of economic activities would firstly bring in change of idea that the general public has towards informal settlements.

#### **6.1.4.3 Outcome**

The hypothesis is dependent on the legislative stand of government towards economic activities. The preceding hypotheses have demonstrated that environmental development is dependent on the financial security of the residents of informal settlements. The legislation as discussed in this research has shown that idea of mixed land use for informal settlement has not been an accepted consideration for government. This tenders most economic activities within the informal settlements illegal and therefore as shown through the survey residents tend not to discuss their existence. Therefore through the survey the level of insecurity can be gauged. Hence the hypotheses **Legalization of economic activities would assist in the environmental development of the settlement** holds true for following reasons;

- Legalization would take the insecurity of the status of economic activities within the settlement away.
- This would lead to economic development of the informal settlement.
- Leading to environmental development.
- Hence the goals of sustainable development would be achieved.

## **6.2 Main Conclusion**

The aim of the research was to investigate the link between sustainable development of informal settlements and the role of economic enterprises within the informal settlements. The four hypotheses formulated in the beginning help understanding the relation. These hypotheses are;

- The relationship of economic activities to the environment.
- Economic activities have social importance.
- End user involvement in decision making
- The relationship between the legislature and the economic activities

The four hypotheses represent the gradual development of informal settlements to sustainable settlements by answering the following concerns

- Whether economic enterprises and environment have a relationship
- Does it have a social basis if so then whether it would strengthen the social bonds?
- Legal status of the enterprise is vital to have economic stability
- End user participation would tie in the social and economic facets with environmental development

The result has shown that the manifest of sustainable development is dependent on the financial strength of the community. The economic enterprises in the settlement are the very source of sustenance for the settlements. They not only cater to the settlements in terms of services and retail markets, but also provide livelihood opportunities to local residents. Apart from the provision of jobs, they also are hubs of informal crafts training. The establishments in the settlements still work on medieval guild training, where apprentices are trained during work. Over the years, the Government's inability to provide civic services to the population including housing, infrastructure and employment resulted in the people's taking matters in their own hands, and hence the formation of informal settlements. Informal settlements, means of addressing the housing, infrastructure and employment, all involve management. The procedures adopted for both the sustenance and development of the settlements have been accepted by the Government as alternatives to high-budget formal settlements for low income groups. Informal settlements are the illegal occupation of land and hence a loss to Government taxation. The development of such areas would be a further financial burden for the Government as no monetary gain would be affected in the sale of property. The Government did gain some financial retribution during the leasing process which is used for establishing infrastructure connections to the settlement. However at present the government is prepared to forego the financial benefit through land sale, provided that the residents develop some basic civic amenities at the local level. This paves the way for legalising the informal settlement. This concept distributes the responsibility of development between the state and citizens. The residents would become equal partners in the development process.



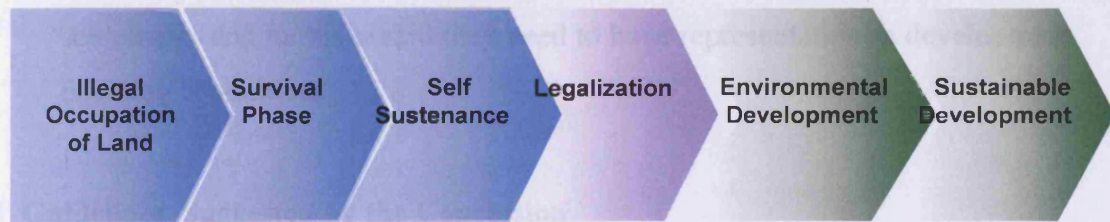
The residents therefore would have to fund the development cost from their own pockets, thus the earning capacity of the community and individual in particular becomes a prime concern. It has also been observed that residents of informal settlements tend to work within the informal settlements. The economic enterprises within the settlements are in truth the funding apparatus for the development process. Through discussion of the legislature in the earlier part of the research it has been seen that such commercial and production activities do not have a legal backing. Therefore, this brings up the question of economic security. Sustainable development has three prime facets: environment, economics and social. Unless there is economic security, none of the efforts would yield a sustainable outcome. Economic stability and security within the settlements therefore becomes of prime importance. The legal standing of enterprises becomes an important element towards achieving the goal of sustainable development.

It is important to stabilize the current insecure situation that the economic activities within the informal settlements are facing. The reason being not only they fund environmental development but also that they are part and parcel of that very environment. Under present conditions there is no information about the types of economic activities being present in an area hence the development planning is unable to keep up with the infrastructure demands. This lack of knowledge affects the environment negatively because the infrastructure for housing settlement have different specifications compared to the ones needed for any industrial or commercial use. The environment is at a loss if the activities are not declared and under present legal frame work it is again at loss if the economic activities are declared. Hence it becomes vital to give security and stability to economic activities within informal settlements.

From the findings of this research it is suggested that the development of a settlement could follow the pattern shown below (Fig. 6.1):

1. History
  - Illegal occupation of land
  - Survival phase

- Self sustenance
- 2. Current Development
  - Legalisation
- 3. Conclusion
  - Environmental Development
  - Sustainable development



**Figure 6-1: Development phase for informal settlement**

To reach the level of sustainable settlement, economic activities within the informal settlements need to be accepted as a facilitator of environmental development. The research has demonstrated that there is a direct relationship between a sustainable future and the acceptance of economic activities within the settlement.

The research deals with the gap between legalization of housing rights and environmental development. At present only housing rights have the legal cover while the economic activities within the informal settlement do not enjoy the same legislative backing. Therefore the goal of sustainable development is defeated. The research suggests that to attain sustainable informal settlements both housing and economic rights need to have legislative cover. This security of rights would manifest itself via environmental development of the informal settlements. Once the pattern is set for environmental development needs for both housing and economic activities would be included in future development plans. Thus a more sustainable plan would be made for the future.

The research through the aid of four hypotheses has been concluded the following facts

- The relationship between economic development and environmental development exists
- Due to social reasons it is impossible to segregate housing from economic activities
- The current legal documents do not provide legal cover for the running of economic activities within the informal settlement
- The end user wishes to be made part of the development plans for informal settlements and in this regard they need to have representation in development planning committees

### **6.3 Guidelines Suggested by the Conclusion**

The research has shown that the current development initiatives taken by the Government and concerned groups are for the up-gradation of areas and not sustainable development. The following guidelines outline the scope of future development planning. The importance of research, implementation and monitoring has been given prime importance. These three elements are vital for any development plan to materialise.

New regulations for planning and development of the informal settlement are needed. Due to the diverse nature of settlements, one needs to have a set of parameters which unlike current regulations would give flexibility in terms of planning and building construction within the informal settlements. As activities within the informal settlement vary between residential and occupational, it would be difficult to formulate a regulation covering all the different requirements. The inclusion of economic activities in the planning guidelines is of importance for the settlement's sustainable development. These parameters should also deal with planning issues - incorporating developments already done by the community and future development to be in accordance with work already carried out.

Building construction is associated with residents' financial capital and incremental development principles need to be considered. Quality control needs to be relaxed under the circumstance. Apart from standards, the settlements need to be marked as

multi-use-zones. Grading them as residential areas would adversely affect the economic activities within the settlements.

Local production units and human resource should be put to use in development plans. This would decrease transport cost for items that are currently being produced within the settlements and also provide additional job opportunities for the residents. The planning department can hire required staff from the settlement for community mobilisation, monitoring and evaluating. This would not only help in understanding the area issues but also cooperation and trust would be gained at the same time.

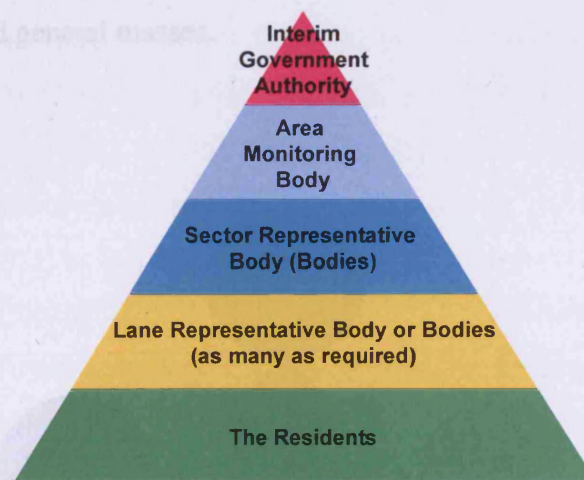
At present, several land administrative authorities are in control of civic land. Informal settlements are present within the jurisdiction of all these land governing authorities. To implement a new policy and regulation, a single body is required which should oversee the development of such areas. A single authority should deal with regularization, leasing and development as well as policy implementation within the informal settlement. Transfer of all land rights to this authority would be required. This could be a temporary transfer for once the area has developed it can be transferred back to original administrative body.

The above recommendation of transferring land back to the original authority would mean the new body would be an interim authority dealing with informal settlements. This would mean that the areas need to be differentiated from the formal zones. The informal settlements hence should be declared as emergency development zones. This would authorize the interim body to take control of the areas and start the development project.

To develop the area, comprehensive development plan needs to be worked out. Separate plans need to be made for health, education and other development works. They need to be kept separate so as to have different agencies' partnership with local bodies.

End user participation has to be incorporated at every stage. This would empower the community and transparency would therefore become an inseparable variable of the planning. Both Physical and Legislative development is important and these should

be transparent as well. Transparency can be achieved through community participation and empowerment.



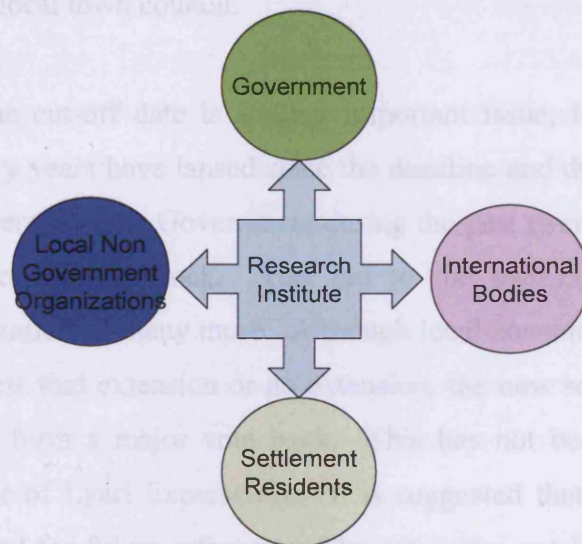
**Figure 6-2: Monitoring and Evaluation structure for Informal Settlements**

Community participation would be extended to evaluation and monitoring as well. Since economic activities are to be considered as integral part of the settlement, monitoring becomes vital. The monitoring bodies would be given basic guidelines as to the nature of acceptable (environment friendly) economic ventures. These monitoring bodies would have a hierarchical structure (Figure 6-2). Each would have representatives which would form area monitoring bodies. Representatives from area bodies would form settlement monitoring which would work with the Informal settlement authority to monitor the overall development of the area.

It has been seen that the physical development of the environment is a crucial part of a sustainable future. Current trend of developing infrastructure via community funds and the main connecting trunk lines by Government should continue. Government should follow the current practice of utilizing lease money for main connecting infrastructure.



Civic and local bodies should concentrate their efforts towards construction of new  
 An independent research institution needs to be formalized. One of the drawbacks in  
 the current development policy formation is lack of analytical research. Over the  
 years research has started to form an important part of development plans and  
 policies, but it is restricted in nature. Research is conducted as per program need, and  
 not as an overall counter for decision-making. The institute's sole purpose would be  
 to conduct research and facilitate all actors in the field of development (Figure 6-3):  
 Government, local and foreign non-government organisation, donor organisation,  
 financial institutes and general masses.



**Figure 6-3: Role of Research Institute**

Civic and local bodies should concentrate their efforts towards construction of new housing stock, this has been brought to the Government's attention a number of times, and authorities have responded to the call in the shape of different projects. It has been noticed that various Government agencies have a different mind-set in terms of new development of housing stock. Karachi's Environment and Planning Department still adheres to the strict quality by-laws and therefore most of the times miss the target group. On the other hand, Sindh Katchi Abadis Authority developing Khuda ki Basti project in Karachi is attracting more poor families due to their incremental development approach. Unified codes of practice for particular target groups need to be established. In fact, in true sense planning of cities should incorporate the provision of new housing stock and the actual development of such schemes could be handed down to the local town council.

The extension of the cut-off date is another important issue; the last date was 23 March 1985. Twenty years have lapsed since the deadline and during that time more settlements have emerged. The Government during the past twenty years was unable to provide adequate housing stock. This led to the over-crowding of existing settlements and formation of many more. Although local consultants and the general public are of the view that extension or no extension, the new settlements cannot be demolished as they form a major vote bank. This has not been the case as seen through the example of Lyari Expressway. It is suggested that the cut-off date be extended and targeted for future reference. The extension can be made up to 2000, which would give enough margin for the residents of informal settlements constructed after the cut off date.

It is noticeable that the cut-off date has not been suggested as the current fiscal year. This is so to stop any new settlements emerging. The period from the cut-off date to the announcement of the cut-off date would be considered interim period where case by case studies of Katchi Abadi would be carried out. If announcement is made in the current year (2006) the interim period would be of 6 years and any settlements forming during this time period would need an exemption certificate from the Government.

After the announcement, strict implementation should be carried out towards any new Katchi Abadis. Over the years, the implementation of regulations has been the main hurdle in any development initiative. Although it can only be suggested that tighter security arrangements are made, an overhauling of security management in the area would be required. The local police authority needs to develop a partnership with the area residents. This would again need a public private partnership and make the residents empowered. This public private partnership would surface in shape of neighbourhood watch. Thus instead of having a culture of private security guards a change needs to be brought within the local security providing departments.

At present leases are issued in general for ninety-nine years this constitutes a problem; not so much as the public but the Government would be at the losing end. Since it has been suggested that the informal settlements be considered as emergency development areas, there would be a different set of regulations, and over a period of time the area would develop and would be in comparison with formal settlements. At this stage the provision of relaxed regulations would mean partiality and therefore the lease rates need be of same level as for the formal settlements therefore it is recommended that the lease period be decreased. Once the residents attain sufficient financial status their lease can be increased in accordance with land use and production capabilities. It would be difficult to monitor individual residents, but from the survey it can be seen that twenty-five years is sufficient time for a development process on incremental basis. In case the environment does not show any appreciable development work, the Government would be given authority either to interfere or chose a different strategy, depending on the situation.

The above recommendations are basic guidelines for future policy developments towards a sustainable environment. As the research has shown current development initiatives are in the phase of environmental up-gradation, a new policy framework for informal settlements is required if they are to be brought in line with formal areas of the city. The future of informal settlements or any settlement needs to address the economic facet of its residents as shown in the research.

## **6.4 Proposed use of the Research**

### **6.4.1 Existing Settlements**

The proposed use of this research is to take existing informal settlements to the level of sustainable living settlements. As has been shown in the case studies and survey conducted existing settlements at present are striving to achieve a clean environment for living and working, although under the current body of law work related activities are not considered as part of living environment. The research is geared towards future policy formation towards a mixed land use sustainable development plan for communities living within informal settlements. It is an attempt to inculcate the idea of sustainability within the current development plans. Current plans are targeted towards environmental development and as has been shown the lack of understanding regarding residents economic activities and its importance with regards to environmental development is a hurdle towards future development. The short sightedness of current development plans leaves the residents in an insecure economic environment hence the future maintenance of such environments is at risk.

### **6.4.2 Disaster Hit Areas**

The research can also be used for the development of livelihoods projects after a natural calamity, such as the one faced by Pakistan on 8 October 2005. The devastating earthquake not only played havoc with civic life but has ruined entire cities. The rebuilding phase has started and the government is in the process of providing the necessary infrastructure. Due to the earthquake approximately 3 million people have been displaced. The rehabilitation and repatriation phase has been in effect from April 2006. Although Government of Pakistan has been offered international aid, it must be noted that the entire infrastructure of the affected area has collapsed. The entire civic amenities network from shelter to services needs to be rebuilt. It is the considered view of the author that the process will take a few years; and a partnership and interaction between the various actors (the Government, local and international organisations and local residents) need to be formed. Again the division of labour can be shared by the Government and local residents, although again for any development work, the livelihood of the residents needs to be secured. Hence the issues brought to light in the research would aid in the post-disaster development work in Pakistan. This research therefore has targeted not just the

existing settlements but the ones which would arise because of an emergency situation.



# Appendix 1

- Questionnaire for residents of informal settlements
- Translated questionnaire for residents of informal settlements

**Sustainable Development  
of Urban Informal Settlements in Pakistan  
Case of Economic Activities in Residential Area**

**Questionnaire**

*Field Research by Anita Kapadia, PhD Student  
at the Welsh School of Architecture  
Cardiff University, United Kingdom*

**Local Residents**

Ref: A -

Date: 2003

**A. Location**

City:
Location / Settlement:

**B. Personal Information**

Refused

Sex:	<input type="checkbox"/> Male <input type="checkbox"/> Female															
Age	Age: ___ years <input type="checkbox"/> Don't know Place of birth:															
Education:	<input type="checkbox"/> None <input type="checkbox"/> Middle School ( <i>class VII</i> ) <input type="checkbox"/> Vocational (diploma) <input type="checkbox"/> <i>Madaris</i> <input type="checkbox"/> Matric ( <i>secondary school</i> ) <input type="checkbox"/> Graduate <input type="checkbox"/> Some school <input type="checkbox"/> Intermediate ( <i>higher school</i> ) <input type="checkbox"/> Post Graduate <input type="checkbox"/> Primary <input type="checkbox"/> College drop out <input type="checkbox"/> Professional															
Marital Status:	<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated Number of children _____															
Number of Dependants:	<table border="0"> <tr> <td>___ Male</td> <td>___ Under 18 years</td> <td>___ Infants</td> </tr> <tr> <td>___ Female</td> <td>___ 18-25 years</td> <td>___ School going</td> </tr> <tr> <td></td> <td>___ 26-35 years</td> <td>___ College/Higher</td> </tr> <tr> <td></td> <td>___ 36-50 years</td> <td></td> </tr> <tr> <td></td> <td>___ Above 50 years</td> <td></td> </tr> </table>	___ Male	___ Under 18 years	___ Infants	___ Female	___ 18-25 years	___ School going		___ 26-35 years	___ College/Higher		___ 36-50 years			___ Above 50 years	
___ Male	___ Under 18 years	___ Infants														
___ Female	___ 18-25 years	___ School going														
	___ 26-35 years	___ College/Higher														
	___ 36-50 years															
	___ Above 50 years															
How many other members in the household are working / earning?	___ Members <input type="checkbox"/> Refused															

**C. Accommodation**

Refused

Do you reside in this locality? <input type="checkbox"/> Yes <input type="checkbox"/> No	Number of years in this locality: _____ years
Your dependants live with you? <input type="checkbox"/> Yes <input type="checkbox"/> No	Number of dependants living with you <input type="checkbox"/> _____ ( <i>give number</i> ) <input type="checkbox"/> No
Type of residence: <input type="checkbox"/> House <input type="checkbox"/> Apartment <input type="checkbox"/> Room <input type="checkbox"/> Hut <input type="checkbox"/> Other _____	
Do you own this residence? <input type="checkbox"/> Yes <input type="checkbox"/> No	What is your cost for this residence? Rs _____ pm / pa

**Sustainable Development  
of Urban Informal Settlements in Pakistan  
Case of Economic Activities in Residential Area**

**Questionnaire**

**Local Residents**

**C. Accommodation**

Contd..

If you rent the premises what is your monthly cost of rent and services?	Rent: Rs _____ pm / pa Services: Rs _____ pm / pa
For how long this settlement is here?	____ years <input type="checkbox"/> Don't know
For how long you have lived in this settlement?	____ years <input type="checkbox"/> Don't know
Is this housing/settlement formalized by the local authority?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In Process <input type="checkbox"/> Don't know
Do the settlers have ownership rights to land / property?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
Are you satisfied with the present residence?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know

**D. Construction & Materials Used**

Refused

Did you yourself or your elders constructed and developed the existing accommodation?			
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know			
How long it took to complete the existing structure?	<input type="checkbox"/> Approx. ____ years/months <input type="checkbox"/> Still on-going <input type="checkbox"/> Don't know		
In how many Phases was this structure developed?	<input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Other _____		
How long did each Phase take to complete?	<u>Phase One</u> ____ years /months <input type="checkbox"/> Don't know	<u>Phase One</u> ____ years /months <input type="checkbox"/> Don't know	<u>Phase One</u> ____ years /months <input type="checkbox"/> Don't know
	<u>Phase Two</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<u>Phase Two</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<u>Phase Three</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
Was the construction / development work carried by you / your family members?	<u>Phase One</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<u>Phase Two</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<u>Phase Three</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
Number of people worked / employed on the project?			

**Sustainable Development  
of Urban Informal Settlements in Pakistan  
Case of Economic Activities in Residential Area**

**Questionnaire**

**Local Residents**

**D. Construction & Materials Used**

Contd..

What materials were used in the Construction?			
<u>Material</u>	<u>Phase One</u>	<u>Phase Two</u>	<u>Phase Three</u>
Bamboos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scrap Wood (packing material)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wood (timber)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tarpaulin / Hessian (jute) Cloth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plastic Sheets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hay Mattresses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corrugated Sheets (Iron)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corrugated Sheets (Asbestos)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Earth / Adobe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stones & Mud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bricks ( <i>katcha</i> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mud Blocks ( <i>pucca</i> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cement Concrete Blocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cement Hollow Blocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RCC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PCC (plain cement concrete)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scrap Metal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scrap Metal Sheets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was any of the material provided to you by the Government / Welfare Organization(s) / Political Party or Philanthropist?	<u>Phase One</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<u>Phase Two</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<u>Phase Three</u> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know

**Sustainable Development  
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Case of Economic Activities in Residential Area**

**Questionnaire**

**Local Residents**

**E. Amenities**

**Refused**

What amenities do you have in the settlement?

Water	Electricity	Gas	Sewage	Roads	Transport	Telephone
<input type="checkbox"/> Tap water	<input type="checkbox"/> Formal	<input type="checkbox"/> Service line	<input type="checkbox"/> Drains	<input type="checkbox"/> Mettle	<input type="checkbox"/> Bus	<input type="checkbox"/> Fixed lines
<input type="checkbox"/> Well water	<input type="checkbox"/> Informal	<input type="checkbox"/> Cylinders	<input type="checkbox"/> Pits	<input type="checkbox"/> Non-mettle	<input type="checkbox"/> Train	<input type="checkbox"/> Cellular
<input type="checkbox"/> Purchased					<input type="checkbox"/> Other	
Service level	Service level	Service level	Service level	Service level	Service level	Service level
<input type="checkbox"/> Good	<input type="checkbox"/> Good	<input type="checkbox"/> Good	<input type="checkbox"/> Good	<input type="checkbox"/> Good	<input type="checkbox"/> Good	<input type="checkbox"/> Good
<input type="checkbox"/> Average	<input type="checkbox"/> Average	<input type="checkbox"/> Average	<input type="checkbox"/> Average	<input type="checkbox"/> Average	<input type="checkbox"/> Average	<input type="checkbox"/> Average
<input type="checkbox"/> Terrible	<input type="checkbox"/> Terrible	<input type="checkbox"/> Terrible	<input type="checkbox"/> Terrible	<input type="checkbox"/> Terrible	<input type="checkbox"/> Terrible	<input type="checkbox"/> Terrible
Not available	Not available	Not available	Not available	Not available	Not available	Not available
<input type="checkbox"/> Don't know	<input type="checkbox"/> Don't know	<input type="checkbox"/> Don't know	<input type="checkbox"/> Don't know	<input type="checkbox"/> Don't know	<input type="checkbox"/> Don't know	<input type="checkbox"/> Don't know

How do you find services of the Utility Providers?

Pricing:  Reasonably priced  Expensive  Beyond reach  
 Service level:  Prompt  Delayed  Indifferent

Do you have to pay extra charges (over and above the amount billed to avail these service?  Yes  No  
 Refused to respond

For which services you pay extras over and above the charges billed and approx. how much on average per month / year?

Water  Electricity  Gas  Sewage  Roads  Transport  Telephone  
 Rs. pm/pa Rs. pm/pa Rs. pm/pa Rs. pm/pa Rs. pm/pa Rs. pm/pa Rs. pm/pa

Please give reason(s) for such additional payment(s)?



**Sustainable Development  
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**Questionnaire**

**Local Residents**

**F. Transport and how do you commute to your work place?  Refused**

What is the distance to your work place?	<input type="checkbox"/> Within the settlement area <input type="checkbox"/> 0-1 km <input type="checkbox"/> 1-2 km <input type="checkbox"/> 3-5 km
	<input type="checkbox"/> Outside the settlement <input type="checkbox"/> 0-1 km <input type="checkbox"/> 1-2 km <input type="checkbox"/> 3-5 km <input type="checkbox"/> 5-10 km <input type="checkbox"/> 10-15 km
How do you reach to work?	<input type="checkbox"/> Walk to work <input type="checkbox"/> Cycle <input type="checkbox"/> Motor cycle <input type="checkbox"/> Public Transport <input type="checkbox"/> Bus <input type="checkbox"/> Rickshaw <input type="checkbox"/> Taxi <input type="checkbox"/> Other <input type="checkbox"/> Contract Transport <input type="checkbox"/> Employer provided
What is your monthly transport cost?	Rs _____ pm / per day

**G. Your reason for living in this settlement?  Refused**

Are you satisfied with the present residence? <span style="float: right;"><input type="checkbox"/> Yes    <input type="checkbox"/> No    <input type="checkbox"/> Don't know</span>
How would you call for the condition of living in the settlement?  <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Terrible <input type="checkbox"/> To be avoided <input type="checkbox"/> Refused
Why you prefer residing in this locality?          
On the whole, how would you call for the condition of living in the settlement?  <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Terrible <input type="checkbox"/> To be avoided <input type="checkbox"/> Refused
Have the conditions in the neighbourhood changed? <span style="float: right;"><input type="checkbox"/> Yes    <input type="checkbox"/> No    <input type="checkbox"/> Don't know</span>
If yes, when and how did they change?          

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**Questionnaire**

**Local Residents**

**H. Employment Status**

**Refused**

<input type="checkbox"/> Employed – full time	<input type="checkbox"/> Unemployed	<input type="checkbox"/> Female ( <i>not allowed to work</i> )
<input type="checkbox"/> Employed – part time	<input type="checkbox"/> Looking for job	<input type="checkbox"/> Retired
<input type="checkbox"/> Self employed – full time	<input type="checkbox"/> Housewife	<input type="checkbox"/> Disabled
<input type="checkbox"/> Self employed – part time	<input type="checkbox"/> Student	<input type="checkbox"/> Refused
<input type="checkbox"/> Seasonal employment: _____ months in a year	<input type="checkbox"/> Farming	<input type="checkbox"/> Other ( <i>specify</i> )
<input type="checkbox"/> Daily worker:	<input type="checkbox"/> Regular	<input type="checkbox"/> Subject to Availability
<input type="checkbox"/> Other ( <i>specify</i> )		
Who is your <i>PRIME</i> Employer?		
<input type="checkbox"/> Federal / Provincial Govt.	<input type="checkbox"/> Public company	<input type="checkbox"/> Family Enterprise
<input type="checkbox"/> Government corporation	<input type="checkbox"/> Private company	<input type="checkbox"/> Own Enterprise
<input type="checkbox"/> Government corporation	<input type="checkbox"/> Other private owner	<input type="checkbox"/> Don't know
<input type="checkbox"/> NGO / Social Organization	<input type="checkbox"/> Other, <i>specify</i>	<input type="checkbox"/> Refused
What is the nature of business of your employer?		
<input type="checkbox"/> Industry	<input type="checkbox"/> Sales/Marketing	<input type="checkbox"/> Retail
<input type="checkbox"/> Services	<input type="checkbox"/> Other	

**I. The Enterprise:**

State the nature of your business and its salient features.
What classification it best fits?
<input type="checkbox"/> Industry - small <input type="checkbox"/> Craft <input type="checkbox"/> Retail <input type="checkbox"/> Services <input type="checkbox"/> Other
Where do you run your enterprise from?
<input type="checkbox"/> Home <input type="checkbox"/> Neighbourhood ( <i>within the Settlement</i> ) <input type="checkbox"/> Elsewhere ( <i>outside the Settlement</i> )
Is your Enterprise registered with the relevant Government agencies?
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know <input type="checkbox"/> Refused

**Sustainable Development  
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**Questionnaire**

**Local Residents**

**I. The Enterprise:**

How many people work for your Enterprise ( <i>in addition to you</i> )						
	Total		Part Time		Full Time	
	Male	Female	Male	Female	Male	Female
Hired						
Family Members						
Total						
Where do the OUTSIDE workers come from?	<input type="checkbox"/> Within the settlement area		<input type="checkbox"/> 0-1 km	<input type="checkbox"/> 1-2 km	<input type="checkbox"/> 3-5 km	
	<input type="checkbox"/> Outside the settlement		<input type="checkbox"/> 0-1 km	<input type="checkbox"/> 1-2 km	<input type="checkbox"/> 3-5 km	
			<input type="checkbox"/> 5-10 km	<input type="checkbox"/> 10-15 km	<input type="checkbox"/> Nearby Village <input type="checkbox"/> Different City	
	<input type="checkbox"/> Don't know		<input type="checkbox"/> Refused			
Where do you sell your production / services?						
<input type="checkbox"/> Sales outlet at factory		<input type="checkbox"/> Main city market		<input type="checkbox"/> Other		
<input type="checkbox"/> Own sales outlet in the settlement		<input type="checkbox"/> Other towns in Pakistan				
<input type="checkbox"/> Other vendors in the settlement		<input type="checkbox"/> Export		<input type="checkbox"/> Refused		
How do you rank your products and services?						
<input type="checkbox"/> Same as others <input type="checkbox"/> Better than others <input type="checkbox"/> Need improvement <input type="checkbox"/> Don't know <input type="checkbox"/> Refused						
Can you improve your sales volume? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know						
What do you need to improve the sales quality and quantity? <input type="checkbox"/> Don't know <input type="checkbox"/> Refused						
<input type="checkbox"/> Funds		<input type="checkbox"/> Equipment		<input type="checkbox"/> Energy supply		<input type="checkbox"/> Manpower
<input type="checkbox"/> Other, <i>specify</i>						
What source of energy you use to run the Enterprise?						
<input type="checkbox"/> Electricity <input type="checkbox"/> Gas Connection <input type="checkbox"/> Gas Cylinders <input type="checkbox"/> Coal <input type="checkbox"/> Firewood <input type="checkbox"/> Refused						
How much capital you have invested in the Enterprise?			<input type="checkbox"/> Don't know		<input type="checkbox"/> Refused	
Your own funds	Rs	If you have not borrowed the funds, did you try to borrow funds from banks / financial institutions? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Friends / family	Rs					
Bank loans	Rs	If yes, what was the response?				
Other non traditional loans	Rs					
Market credit	Rs					
Total	Rs					

**Sustainable Development  
of Urban Informal Settlements in Pakistan  
Case of Economic Activities in Residential Area**

**Questionnaire**

**Local Residents**

**I. The Enterprise:**

Do you plan to extend the business of your Enterprise?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you are successful obtaining bank / institutional loan, would you venture for expanding the Enterprise?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Did you attempt to get loans from other sources?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**J. Income**

**Refused**

Is your employment / self-employment only source of income for the household?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Identify other income sources?	<input type="checkbox"/> Pension <input type="checkbox"/> Investments <input type="checkbox"/> Rent <input type="checkbox"/> Agriculture <input type="checkbox"/> Remittances from abroad <input type="checkbox"/> Other ( <i>Please specify</i> )	<input type="checkbox"/> Refused <input type="checkbox"/> Don't know
Your monthly income from primary source	Rs. _____ pm	<input type="checkbox"/> Refused
Your monthly income from supplemental sources?	Rs. _____ pm	<input type="checkbox"/> Refused
Are there other earning members in the household?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Refused
Your Overall Household Income (including other members in the household)	Rs. _____ pm	<input type="checkbox"/> Refused <input type="checkbox"/> Don't know
Do you have National Tax Registration Number?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Refused <input type="checkbox"/> Don't know
Does your income suffice your personal / family needs?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you looking for other part time work to supplement your income?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**K. Supplemental Information**

**Refused**

Question	Response ( <i>in brief</i> )
Have you participated in other survey(s)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did you find previous surveys of any help to you or the community? ( <i>Explore reason for the response &amp; make note</i> )	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don' know

**Sustainable Development  
of Urban Informal Settlements in Pakistan  
Case of Economic Activities in Residential Area**

**Questionnaire**

**Local Residents**

What is your reason & interest participating in this survey?	
What are your expectations from this survey?	
Would you like to be part of the survey and research?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don' know
Would you like to be available for future research?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don' know

**L. Name & Address of Interviewee**

**Refused**

Name ( <i>optional</i> ): Mr / Mrs / Miss	
Address ( <i>optional</i> ):	
Phone:	Email:

**M. Mailing Request**

**If you choose to fill this form on your own, kindly mail this filled form at the following address in Pakistan OR in Cardiff.**

**Thank you.**

**United Kingdom Address:**

Anita Kapadia  
Welsh School of Architecture  
Cardiff University  
Bute Building  
King Edward VII Avenue  
Cardiff CF10 3NB  
Wales, United Kingdom  
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Email: Kapadiaa@cf.ac.uk



پاکستان میں شہروں کے اندر غیر منظم رہائشی آبادیوں کیلئے پائیدار ترقی  
رہائشی علاقوں میں اقتصادی سرگرمیوں سے متعلق معلومات

سوالنامہ  
ٹارگٹ گروپ A  
مقامی رہائشی

عملی تحقیق: اینٹا کپاڈیہ، پی ایچ ڈی طالبہ  
وہلش اسکول آف آرکیٹیکچر  
کارڈف یونیورسٹی، برطانیہ

بحوالہ: A  
تاریخ:

(اے) جگہ کا پتہ

شہر
مقام آبادی کا نام

(بی) ذاتی نوعیت کی معلومات

جنس	مرد <input type="checkbox"/>	عورت <input type="checkbox"/>
عمر	تعمیر سال	معلوم نہیں <input type="checkbox"/>
غیر تعلیم یافتہ	<input type="checkbox"/>	مڈل / آخوئیں جماعت <input type="checkbox"/>
مدرسہ سے حاصل کی	<input type="checkbox"/>	میتزک <input type="checkbox"/>
کسی اسکول	<input type="checkbox"/>	انٹرمیڈیٹ <input type="checkbox"/>
پرائمری	<input type="checkbox"/>	کالج تک پہنچ کر چھوڑ دی <input type="checkbox"/>
ازدواجی حیثیت:	غیر شادی شدہ <input type="checkbox"/>	بیوہ <input type="checkbox"/>
		علحدگی ہو گئی <input type="checkbox"/>
		بچوں کی تعداد <input type="checkbox"/>
مرد	18 سے کم	نوزائیدہ
	18 سے 25 سال کے درمیان	اسکول میں زیر تعلیم
زیر کفالت کی تعداد	26 سے 35 سال	کالج یا اس سے بڑے
خاتون	36 سے 50 سال	ادارے میں زیر تعلیم
	50 سال سے زائد عمر	
آپ کے خاندان میں کتنے اور افراد روزگار سے منسلک ہیں یا مدنی میں حصہ لاتے ہیں اراکین کی تعداد بتانے سے انکار کر دیا <input type="checkbox"/>		

(س) رہائش سے متعلق معلومات

کیا آپ اسی آبادی میں رہائش پذیر ہیں؟	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
اس آبادی میں کتنے سال سے مقیم ہیں	سال	
کیا آپ کے بچے یا زیر کفالت افراد آپ کے ساتھ رہتے ہیں	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
زیر کفالت افراد کی تعداد		نہیں <input type="checkbox"/>
جو آپ کے ساتھ رہائش پذیر ہیں		
رہائش کی نوعیت	مکان <input type="checkbox"/>	فلٹ <input type="checkbox"/>
	کمرہ <input type="checkbox"/>	جھونپڑی <input type="checkbox"/>
	کسی اور نوعیت کا	
کیا آپ خود مالک ہیں	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
آپ کی رہائش گاہ کی قیمت کیا ہے	روپیہ	

_____ ماہانہ کرایہ	_____ خرچہ	اگر آپ اپنے مکان کو کرایہ پر دیدیں تو ماہانہ کرایہ کتنا وصول ہوگا اور اس کی دیکھ بھال پر کتنا خرچ ہوگا
_____ سال	_____ سال	جہاں آپ رہتے ہیں کتنے عرصے سے یہ جگہ قائم ہے
_____ سال	_____ سال	آپ خود کتنے عرصے سے رہ رہے ہیں
_____ ہاں	_____ نہیں	جس گھر میں یا آبادی میں آپ رہ رہے ہیں
_____ ہاں	_____ نہیں	سرکاری طور پر تسلیم شدہ ہے
_____ ہاں	_____ نہیں	کیا رہائشیوں کو زمین یا جائیداد کی حق ملکیت حاصل ہے
_____ ہاں	_____ نہیں	آپ کو جو رہائش حاصل ہے کیا آپ اس سے مطمئن ہیں

(ڈی) تعمیر اور جو تعمیراتی سامان استعمال ہوا معلومات دینا نہیں چاہتے

_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	موجودہ رہائش / گھر آپ نے خود یا آپ کے بزرگوں نے تعمیر کیا
_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	اس وقت تک جو آپ کے گھر کی تعمیر کی صورت حال ہے
_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	اس کی تکمیل تک پہنچنے میں کتنے عرصہ لگا
_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	کتنے مراحل میں جا کر مکان کی تعمیر مکمل ہوئی
_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	ہر مرحلے کی تکمیل میں کتنا عرصہ لگا
_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	گھر کی تعمیر یا اسے بہتر بنانے کے کام میں آپ نے یا آپ کے خاندان کے افراد نے حصہ لیا
_____ ہاں	_____ نہیں	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	_____ سال / مہینہ	جن افراد نے کام میں حصہ لیا یا جنہیں کام کے دوران ملازمت پر رکھا گیا تعداد بتائیے۔



(دی) سہولیات

آپ کی آبادی میں کون کونسی سہولت میسر ہیں۔

پانی	بجلی	گیس	ٹکاسی آب	سڑکیں	ٹرانسپورٹ	ٹیلیفون
تکے کا پانی	سرکاری	سروس لائن کے ذریعے	ڈرنج / گٹر کے ذریعے	پکی، اسٹرکاری شدہ	بس	تاروں کے ذریعے
کنویں کے ذریعے	غیر سرکاری طور پر	سلیڈر کے ذریعے	گڑھا کھود کر	بغیر اسٹرکاری کے	ریل	موبائل
خرید کر حاصل کرتے ہیں				دیگر ذرائع		
سہولت کا معیار	سہولت کا معیار	سہولت کا معیار	سہولت کا معیار	سہولت کا معیار	سہولت کا معیار	سہولت کا معیار
بہتر	بہتر	بہتر	بہتر	بہتر	بہتر	بہتر
درمیانہ درجہ کا	درمیانہ درجہ کا	درمیانہ درجہ کا	درمیانہ درجہ کا	درمیانہ درجہ کا	درمیانہ درجہ کا	درمیانہ درجہ کا
انتہائی خراب	انتہائی خراب	انتہائی خراب	انتہائی خراب	انتہائی خراب	انتہائی خراب	انتہائی خراب
میسر ہی نہیں	میسر ہی نہیں	میسر ہی نہیں	میسر ہی نہیں	میسر ہی نہیں	میسر ہی نہیں	میسر ہی نہیں
معلوم نہیں	معلوم نہیں	معلوم نہیں	معلوم نہیں	معلوم نہیں	معلوم نہیں	معلوم نہیں

جو ادارے بنیادی سہولیات فراہم کرنے کے ذمہ دار ہیں آپ ان کی خدمات کے معیار کو کس طرح جانچتے ہیں؟

نرخ: نرخ کا معیار مناسب ہے  زیادہ ہیں  عام آدمی کے پہنچ سے زیادہ ہیں

خدمت کا معیار: مستند  تاخیری  لا تعلقی کاروبار

کیا آپ کو یوٹیلیٹی کی خدمات حاصل کرنے کیلئے اضافی چارجز ادا کرنے پڑتے ہیں؟

ہاں  نہیں  بتانے سے انکار

کس یوٹیلیٹی کی مد میں آپ کو بل سے زائد اضافی چارجز ہر ماہ اوسط کی بنیاد پر تقریباً ادا کرنے پڑتے ہیں

پانی  بجلی  گیس  گندے پانی کی ٹکاسی  سڑکیں

روپیہ ماہانہ \_\_\_\_\_ روپیہ ماہانہ \_\_\_\_\_ روپیہ ماہانہ \_\_\_\_\_ روپیہ ماہانہ \_\_\_\_\_

ٹرانسپورٹ  ٹیلیفون

روپیہ ماہانہ \_\_\_\_\_ روپیہ ماہانہ \_\_\_\_\_

اضافی چارجز (ادائیگی) کی وجوہات بھی تحریر کیجئے۔

(الف) ٹرانسپورٹ: آپ اپنے روزگار کے مقام تک کس طرح آتے جاتے ہیں

<input type="checkbox"/> رہائشی علاقے میں ہے۔ <input type="checkbox"/> ایک سے دو کلومیٹر <input type="checkbox"/> صفر سے ایک کلومیٹر <input type="checkbox"/> تین سے پانچ کلومیٹر	<input type="checkbox"/> رہائشی حدود سے باہر ہے <input type="checkbox"/> تین سے پانچ کلومیٹر <input type="checkbox"/> صفر سے ایک کلومیٹر <input type="checkbox"/> ایک سے دو کلومیٹر <input type="checkbox"/> دس سے پندرہ کلومیٹر <input type="checkbox"/> پانچ سے دس کلومیٹر	آپ کے روزگار کے مقام تک کتنا فاصلہ ہے
<input type="checkbox"/> بیڈل <input type="checkbox"/> سائیکل <input type="checkbox"/> موٹر سائیکل	<input type="checkbox"/> بس <input type="checkbox"/> ریکشہ <input type="checkbox"/> ٹیکسی <input type="checkbox"/> یا کوئی اور ذریعہ	آپ روزگار کے مقام تک کس طرح پہنچتے ہیں
<input type="checkbox"/> دیگر ذرائع یعنی <input type="checkbox"/> کانٹریکٹ ٹرانسپورٹ <input type="checkbox"/> ادارہ ٹرانسپورٹ فراہم کرتا ہے	<input type="checkbox"/>	ٹرانسپورٹ کی مدد میں ماہانہ کتنا خرچ ہوتا ہے؟ اوسطاً _____ روپیہ / ماہانہ

(ج) اس آبادی میں رہنے کی وجوہات؟

<input type="checkbox"/> کیا آپ اس آبادی میں موجود رہائشی حالات سے مطمئن ہیں؟ <input type="checkbox"/> ہاں <input type="checkbox"/> نہیں <input type="checkbox"/> معلوم نہیں	آپ جس جگہ رہ رہے ہیں وہاں کے رہائشی حالات کو کس طرح بیان کریں گے۔ <input type="checkbox"/> اچھے <input type="checkbox"/> درمیانہ درجے کے <input type="checkbox"/> خراب ترین <input type="checkbox"/> ناقابل رہائش
آپ اس آبادی میں رہنے کو ترجیح کیوں دیتے ہیں؟	
مجموعی طور پر اس آبادی میں رہائشی حالات کو آپ کس طرح بیان کریں گے؟ <input type="checkbox"/> اچھے ہیں <input type="checkbox"/> درمیانہ درجے <input type="checkbox"/> خراب <input type="checkbox"/> ناقابل بیان <input type="checkbox"/> بتانے سے گریز کیا	اگر حالات تبدیل ہوئے تو کب اور کیسے ہوئے؟



(اچ) روزگار کی نوعیت

<input type="checkbox"/>	روزگار پر ہیں	<input type="checkbox"/>	فل ٹائم	<input type="checkbox"/>	بے روزگار	<input type="checkbox"/>	خاتون (جنہیں روزگار کی ممانعت ہے)
<input type="checkbox"/>	روزگار	<input type="checkbox"/>	جزوی، وقتی	<input type="checkbox"/>	روزگار کی تلاش میں	<input type="checkbox"/>	ریٹائرڈ
<input type="checkbox"/>	خود روزگار یا خود ملازمت	<input type="checkbox"/>	کل وقتی	<input type="checkbox"/>	گھریلو خاتون	<input type="checkbox"/>	معذور
<input type="checkbox"/>	خود روزگار	<input type="checkbox"/>	جزوی، وقتی	<input type="checkbox"/>	طالب علم	<input type="checkbox"/>	کام نہیں کر سکتے

بدلی کے مزدور یا مختلف خطوں کے حساب سے مزدور

مہینے فی سال  کاشتکاری  دیگر اقسام (تفصیل کے ساتھ)

دہاڑی یا روزانہ اجرت پر  مستقل  اگر کامل جائے  یا دیگر نوبت (تفصیل بتائیے)

آپ کا حقیقی/بنیادی اجرو کون ہے

<input type="checkbox"/>	دفاعی/صوبائی حکومت	<input type="checkbox"/>	سرکاری کمپنی	<input type="checkbox"/>	خاندانی ادارہ
<input type="checkbox"/>	سرکاری کارپوریشن	<input type="checkbox"/>	نجی کمپنی	<input type="checkbox"/>	خود کا ادارہ یا مالک
<input type="checkbox"/>	نیم سرکاری کارپوریشن	<input type="checkbox"/>	دیگر نجی مالک	<input type="checkbox"/>	معلوم نہیں
<input type="checkbox"/>	غیر سرکاری تنظیم این جی او یا سماجی تنظیم	<input type="checkbox"/>	دیگر کوئی ادارہ (واضح کریں)	<input type="checkbox"/>	بتانے سے انکار کر دیا

آپ کے آجر کے کاروبار کی نوعیت کیا ہے؟

کارخانہ  پبلز یا مارکیٹنگ  خوردہ  خدمات  دیگر

(آئی) ادارے کی نوعیت

اپنے کاروبار کی نوعیت اور اس کے نکات کے بارے میں آگاہ کیجئے۔

آپ کا کاروبار کس درجہ بندی میں بہتر طور پر شمار کیا جاسکتا ہے؟

صنعت۔ چھوٹی نوعیت  دستکاری  خوردہ  خدمات  دیگر

آپ کا کاروبار کہاں ہے؟

گھر  جہاں رہائش ہے اسی آبادی میں  یا کہیں اور ہے

کیا آپ کا کاروبار متعلقہ سرکاری ادارہ سے رجسٹرڈ ہے؟

ہاں  نہیں  معلوم نہیں  بتانے سے گریز کیا

(آئی) ادارے کی نوعیت

آپ کے کاروبار میں کتنے ملازم ہیں؟			
کل ترقی مرد خواتین	جزو ترقی مرد خواتین	کل ملازم مرد خواتین	
خاندان سے متعلق ملازمین کی تعداد			
کتنے اجرت پر باہر سے رکھے ہوئے ہیں			
کل تعداد			
رہائشی آبادی سے <input type="checkbox"/> صفر۔ ایک کلومیٹر <input type="checkbox"/> ایک۔ دو کلومیٹر <input type="checkbox"/> تین۔ پانچ کلومیٹر <input type="checkbox"/>			خاندان سے باہر کے ملازمین کہاں سے ملازمت پر آتے ہیں
آبادی ہے باہر صفر۔ ایک کلومیٹر <input type="checkbox"/> ایک۔ دو کلومیٹر <input type="checkbox"/> تین۔ پانچ کلومیٹر <input type="checkbox"/> پانچ۔ دس کلومیٹر <input type="checkbox"/> دس۔ پندرہ کلومیٹر <input type="checkbox"/> قریب ہی گاؤں سے <input type="checkbox"/> کسی اور شہر سے <input type="checkbox"/> معلوم نہیں <input type="checkbox"/> بتانے سے انکار <input type="checkbox"/>			
آپ اپنی مصنوعات / خدمات کو کہاں فروخت کرتے ہیں؟			
کارخانے کے باہر <input type="checkbox"/> شہر کی اہم مارکیٹ میں <input type="checkbox"/> دیگر مقامات پر <input type="checkbox"/> رہائشی آبادی میں <input type="checkbox"/> پاکستان کے دیگر شہروں میں <input type="checkbox"/> ذاتی جگہ ہے <input type="checkbox"/> رہائشی آبادی کے دیگر کانون اور ٹھیلوں پر <input type="checkbox"/> برآمد <input type="checkbox"/> بتانے سے انکار <input type="checkbox"/>			
آپ اپنی مصنوعات اور خدمات کو کن درجہ بندی میں رکھیں گے؟			
دیگر مصنوعات کی درجہ بندی <input type="checkbox"/> دوسروں سے بہتر <input type="checkbox"/> بہتری کی گنجائش ہے <input type="checkbox"/> معلوم نہیں <input type="checkbox"/> بتانے سے انکار کر دیا <input type="checkbox"/>			
کیا آپ اپنی مصنوعات کے فروخت کے حجم کو بڑھا سکتے ہیں؟			
ہاں <input type="checkbox"/> نہیں <input type="checkbox"/> کچھ کہہ نہیں سکتا <input type="checkbox"/>			
آپ کی اپنی بیلو کی کو اپنی اور حجم کو بڑھانے میں کسی قسم کی ضرورت درکار ہے			
رقم (فیڈرز) <input type="checkbox"/> ساز و سامان <input type="checkbox"/> توانائی کی فراہمی <input type="checkbox"/> افرادی قوت <input type="checkbox"/> کوئی اور ضرورت وضاحت کے ساتھ <input type="checkbox"/>			
کاروبار کو چلانے کیلئے توانائی کی نوعیت بتائیے؟			
بجلی <input type="checkbox"/> گیس کا کنکشن <input type="checkbox"/> گیس کا سلنڈر <input type="checkbox"/> کونک <input type="checkbox"/> جلانے والی لکڑی <input type="checkbox"/> معلومات فراہم کرنے سے انکاری <input type="checkbox"/>			
کاروبار میں کتنا سرمایہ لگ چکا ہے؟			
ذاتی سرمایہ		_____ روپے	
دوستوں یا خاندان کا سرمایہ		_____ روپے	
بینک کا قرضہ		_____ روپے	
دیگر قرضے جو ذاتی طور پر حاصل کئے جاتے ہیں		_____ روپے	
مارکیٹ کا ادھار		_____ روپے	
کل رقم		_____ روپے	
آپ نے اگر رقم ادھار نہیں لی ہے تو کیا آپ نے بینکوں یا مالیاتی اداروں سے قرض حاصل کرنے کی کوشش کی ہاں <input type="checkbox"/> نہیں <input type="checkbox"/>			
اگر ہاں تو پھر قرض فراہم کرنے والے اداروں کا کیا رویہ تھا			

کیا آپ اپنے کاروبار کو بڑھانا چاہتے ہیں؟	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
اگر آپ بینک یا مالیاتی اداروں سے قرض حاصل کرنے میں کامیاب ہوتے ہیں تو کیا آپ کاروبار کو وسعت دینگے	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
کیا آپ نے دیگر ذریعوں سے بھی قرض حاصل کرنے کی کوشش کی	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>

(جے) آمدنی

کیا آپ کاروبار یا خود ملازمت، خاندان کی کفالت کا واحد ذریعہ ہے؟	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
پینشن <input type="checkbox"/>	کہیں سرمایہ کاری کی گئی <input type="checkbox"/>	کرایہ <input type="checkbox"/>
آمدنی کے دیگر ذرائع کی نشاندہی کیجئے۔	زراعت کے ذریعہ <input type="checkbox"/>	بیرون ملک سے رقم بھیجی جاتی ہے <input type="checkbox"/>
معلوم نہیں <input type="checkbox"/>	معلومات فراہم کرنے سے انکار <input type="checkbox"/>	کوئی اور ذریعہ وضاحت کیجئے <input type="checkbox"/>
بنیادی ذریعہ روزگاری سے	روپے ماہانہ <input type="checkbox"/>	بتانے سے انکار <input type="checkbox"/>
آپ کی ماہانہ آمدنی	روپے ماہانہ <input type="checkbox"/>	بتانے سے انکار <input type="checkbox"/>
دیگر ذرائع سے ماہانہ آمدنی	روپے ماہانہ <input type="checkbox"/>	بتانے سے انکار <input type="checkbox"/>
کیا آپ کے گھر میں دیگر افراد بھی کھاتے ہیں	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
آپ کے پورے گھرانے کی ماہانہ اوسط آمدنی	روپے ماہانہ <input type="checkbox"/>	معلوم نہیں <input type="checkbox"/>
کیا آپ کے پاس انکم ٹیکس رجسٹریشن نمبر ہے	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
کیا آپ کی آمدنی ذاتی / گھریلو اخراجات کے باعث متاثر ہوتی ہے	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>
کیا آپ اپنی آمدنی میں اضافے کیلئے دیگر جزوقتی کام کی تلاش میں ہیں	ہاں <input type="checkbox"/>	نہیں <input type="checkbox"/>

(کے) ضمنی نوعیت کی معلومات

سوال	جواب
کیا آپ نے کبھی کسی سروے میں حصہ لیا ہے	ہاں <input type="checkbox"/>
کیا آپ کو یا کسی کمیونٹی کو آپ کے سابقہ سروے سے فائدہ حاصل ہوا ہے؟ (وجوہات بتائیے)	ہاں <input type="checkbox"/>
	نہیں <input type="checkbox"/>
	معلوم نہیں <input type="checkbox"/>

	اس سروے میں حصہ لینے میں آپ کی کیا وجوہات یا دلچسپیاں ہیں؟
	اس سروے سے آپ کی کیا توقعات ہیں؟
<input type="checkbox"/> ہاں <input type="checkbox"/> نہیں <input type="checkbox"/> پتہ نہیں	کیا آپ سروے اور اس تحقیق کا حصہ بننا چاہتے ہیں اچھا ہتی ہیں
<input type="checkbox"/> ہاں <input type="checkbox"/> نہیں <input type="checkbox"/> پتہ نہیں	کیا آپ آئندہ ہونے والی تحقیق کیلئے بھی دستیاب ہو گئے ہونگے

(ایل) انٹرویو لینے والے اداالی کا نام اور پتہ:

نام	(اگر لکھنا چاہیں)	مسز/مسز/مس
پتہ	(اگر تحریر کرنا چاہیں)	
فون نمبر:		ای میل

(ایم) خط و کتابت کا پتہ:

اگر آپ یہ فارم بھر کر روانہ کرنا چاہتے ہیں تو درج ذیل پر روانہ کریں	برطانیہ کا پتہ
پاکستان کا پتہ	انیتا کپاڈیا
انیتا کپاڈیا	دیش اسکول آف آرکیٹیکچر
41 مانی کوآپریٹو ہاؤسنگ سوسائٹی، بلاک 3، جمال الدین افغانی روڈ	کارڈف یونیورسٹی بیوٹ بلڈنگ،
کراچی 74800 - پاکستان	کنگ ایڈورڈ 7 ایونیو کارڈف CF10 3NB
فون نمبر: 4558030 (9221)	دیش، برطانیہ
4558152	
ای میل: Kapadiaa@cf.ac.uk	ای میل: Kapadiaa@cf.ac.uk

## Appendix 2

- Chapter IV of 'The Sindh Katchi Abadis Authority (Regularisation, Improvement and Development) Regulations, 1993'

## CHAPTER - IV

### SCHEMES

#### A. REGULARISATION SCHEME

5. The Authority shall prepare or cause to prepare, after issuance of notification of a katchi abadi, a Regularisation Scheme for the katchi abadi as required under section 21 of the Act. PREPARATION OF REGULARISATION SCHEME
6. (1) The Authority for the preparation of a regularisation scheme shall undertake: REQUIREMENTS OF REGULARISATION SCHEME
- (a) A detailed physical survey of the katchi abadi and a detailed map on an appropriate scale;
- (i) Total number of plots with numbering and their sizes;
- (ii) Land use characteristics of the area including open spaces to be marked on a map of appropriate scale;
- (iii) Type and level of services available;
- (b) An occupancy survey of dwelling or housing units in the katchi abadi with a complete list of occupants residing on or before 23rd March, 1985, and issuance a occupancy survey card to the occupants to freeze further encroachment;
- (c) Any other survey necessary for the preparation of the Plan;
7. The regularisation scheme besides containing the information as required under section 21(4),of the Act shall also contain: CONTENTS OF REGULARISATION SCHEME
- a) Housing or re-housing of the affected persons if any , and their shifting to other areas;
- (b) Removal of encroachments, if any;
- (c) Method of financing of the scheme;



## AMENDMENT THROUGH CORRIGENDA

10(ii) In fourth line omit "a" before word "for"

## SECOND AMENDMENT

### Chapter IV Clause 9 (9)

- a) A feasibility report regarding change, amalgamation, modification and correction in an approved amelioration plan, shall be submitted by the divisional head to the Committee for decision.
- b) Any change, amalgamation, modification and correction in the approved amelioration plan may be made only after the receipt of the recommendations of the concerned Committee constituted for this purpose.
- c) Before the amelioration plan, alongwith the scheme is submitted to the Government for approval, it shall be cleared/approved by a Committee constituted by the Director General for this purpose.

### Chapter IV Clause 10 (iv)

- a) The Director General shall authorize the schemes for onward submission to the Government for final approval, or consider the amendments, and/or objections and recommendation(s) of the committee concerned, and shall decide accordingly.

- (d) Registration of regularisation documents;
- (e) Preparation of amelioration Plan to improve the existing services like water supply , sewerage , electricity , gas , telephone , health, education, roads and other necessary services;
- (f) Size of plots , minimum and maximum;
- (g) Policies for involving Non-Government organizations (NGOs) in the improvement of katchi abadi, if any;
- (h) Any other information required by the Authority.
8. The main principle for the preparation of the regularisation scheme should be minimum dislocation of the occupants , their families and present structures and maximum benefits to the residents of the area. PREPARATI- OF A REGU- LARISATION SCHEME
9. After preparation of the amelioration plan an announcement should be made in the area concerned for inviting objections within the prescribed period. INVITATION OF PUBLIC OBJECTION
10. (i) A committee constituted by the Director General ( consisting of officials of the Authority ) shall examine the draft scheme alongwith the objection; COMMITTEE TO EXAMINE DRAFT PLAN &OBJECTION
- (ii) The committee shall provide an opportunity to the person(s) who submitted objections to appear before the committee concerned and place the objections before it for a decision:
- (iii)The committee may suggest amendments or approve the scheme and submit the same to the Director General;
- (iv) The Director General shall consider the amendments and the objections and shall decide accordingly;
- (v) When any building is required to be demolished according to the approved development scheme, the Authority shall compensate the owner in shape of allocating a minimum size open plot.
11. The final Regularisation scheme shall be submitted to the Government for approval as required under section 21 of the Act, which shall preferably approve or suggest amendments within one month of the submission of such a scheme. After lapse one month's period of submission of such scheme if no action is suggested by the government, the Director General shall be deemed to have been authorised to approve such scheme(s). APPROVAL OF SCHEME BY GOVER- NMENT

## B. DEVELOPMENT SCHEME

12. The Authority may itself or through consultant(s) prepare a development scheme. Such development scheme may provide all or any of the following matters: DEVELOPMENT SCHEME

- a. Housing , re-hosing including low cost housing;
- b. Community facilities including water supply with distribution net work , underground sewerage including disposal system , treatment plant, electricity supply , gas and other public utilities, where required ;
- c. Improvements of existing roads & streets and opening of new streets;
- d. The closing, alteration or demolition and improvement of dwelling units or portion(s) thereof unfit for human habitation;
- e. Parks, playgrounds or other open spaces;
- f. Reclamation of land for markets and gardens or any other matter related with the development scheme.

13. While preparing the scheme, the Authority shall take-into consideration:

- a. The existing community facilities available in the katchi abadi, and the physical survey; PREPARATION OF DEVELOPMENT SCHEME
- b. The level of income of various group(s) and their affordability level;
- c. The nature and level of service(s) available in neighbouring or adjoining areas;
- d. Capacity of the community and NGOs of the area for participation in the development process starting with planning , implementation and maintenance of services;
- e. Any other information the Authority thinks appropriate.

14. The Development scheme besides requirements laid down in Section 21 (4) of the Act shall cover: CONTENTS OF DEVELOPMENT SCHEME

AMENDMENT THROUGH CORRIGENDA

14 In third line insert "also" before word "cover"

14(a) In third line for "shall" read "may"

14(b) In fourth line for "shall" read "may"

FIRST AMENDMENT

15(A) The Authority shall execute development schemes in notified Katchi Abadis on departmental and self-financing basis, provided that:

- (i) the total cost of such a scheme does not exceed Rs.1.0 million, and
- (ii) atleast 30% of the total number of units in such katchi abadi have been regularized.

15(B) The Director General will prescribe requisite procedure for implementation of such scheme (s) and for this purpose constitute a Departmental Development Working Committee (DDWC) with such composition, functions and powers as required.

a. The total cost of the scheme including cost of land, cost of development ( both internal and external ) and the cost which shall be recovered from the occupants of the katchi abadi in any shape including lease charges;

b. Wherever necessary the external water supply and sewerage disposal shall be financed by the Authority. On receipt of a request from the community , the Authority shall assist them in designing and supervising the work of internal development . The expenditure for internal development shall be borne by the community concerned;

c. Any other requirements as the Authority thinks fit. -

15. a. The Authority may constitute a committee consisting of officers of the Authority, community leaders and representatives of Non-Government organizations of the area, if any, to assist the Authority in preparation of the development scheme;

b. The Authority may implement the approved development scheme itself or through the concerned local council or through any agency, under overall control and supervision of the Authority.

16. a. When such a scheme has been approved , no person shall , without the permission of the Authority, erect, re-erect, add, or alter any building , or wall or any Projection beyond the street alignment or beyond the building line shown in any plan so adopted by the Authority;

b. When any building is required to be demolished according to the approved development scheme , the Authority shall compensate the owner in shape of allocating a minimum size open plot ;

c. Any owner aggrieved by the order and terms and conditions of the Authority may within 30 (thirty) days of the communications to him, apply to the Director General in writing, for redressal of his grievances. The decision of the Director General shall be final.

### C. IMPROVEMENT SCHEME

17. An improvement scheme may provide for all or any of the following matters namely:

a. The clearance or improvement of congested areas;

MATTERS TO BE  
PROVIDED FOR  
BY IMPROVEMENT  
SCHEME

AMENDMENT THROUGH CORRIGENDA

17(m) In second line for "or" read "a"

18(a) In first line for "may" read "shall"



- b. The construction of houses, flats and other kind of residential premises and of industrial ,commercial and other buildings for community facilities such as schools, dispensaries etc.;
- c. The closing , alteration or demolition of any dwelling or portion thereof unfit for human habitation;
- d. The demolition of buildings inconsistent with the approved scheme;
- e.The construction and re-construction of any building by the Authority or by the owner or by the Authority on default by the owner;
- f.The sale , lease , exchange or disposal in any other manner of any property vested in or acquired by the Authority;
- g. The levelling , paving , metalling , flagging , channelling , sewerage , draining of the streets so constructed or altered , and the provision therein for, lighting and sanitary facilities;
- h. Sanitation and conservancy for the area comprised in the scheme,including the prevention of contamination to rivers and canals and other sources means of water supply
- i. Drains and sewers for the improvement of any ill-drained or in-sanitary locality;
- j. Means of access and communication;
- k. Re-claimation of land , the raising , lowering, levelling of the land;
- l.The recovery of betterment fee from owners of properties improved by the scheme as under Section 27 of the Act:
- m.Any other matter for which in the opinion of the the Authority , it is expedient to prepare or scheme.

- 18. a. The Authority may or through any other agency prepare the scheme;
- b. The Authority shall establish a committee consisting of officials of the Authority , representatives of the area and representatives of non-government organizations , if any , to assist in framing the scheme.

**PROCEDURE  
TO BE FOLL-  
OWED FOR  
FRAMING  
SCHEME**

## SECOND AMENDMENT

### Chapter V Clause 21 (4)

- a) If any occupant(s) wants bifurcation of a unit, it may be allowed subject to payment of lease rate charges as per schedule 'B' of SKAA's Regulations 1993 (and amendments notified from time to time) and bifurcation fee as per serial No.16, schedule 'C' of SKAA's Regulations 1993. Both rates shall be charged on the original size of the unit. An additional fee as re-survey charges @ Rs.500 shall also be charged from each part thus bifurcated.
- b) No bifurcation shall be allowed if the bifurcated plot has no access to the road/street.
- c) In case, an occupant presently residing in a notified katchi abadi proves with valid proof of his occupancy that for some reasons that unit was not numbered at the time of physical survey and preparation of amelioration plan, his case may be considered on normal rate, subject to provision of satisfactory documentary evidence of occupation of that particular unit prior to 23.3.85. A 25% surcharge of the total amount shall also be charged as a penalty for his failure to respond timely to SKAA's invitation for public objections.
- d) If an occupant wants to amalgamate another adjacent unit with his unit, it shall be allowed by charging a fee @ Rs.20/- per sq.yd upto an amalgamated unit size of 40 sq.yd. A charge @ Rs.40/- per sq.yd shall be added for the area exceeding 40 sq.yd size of the amalgamated plot in case of non-leased unit.
- e) In case of a leased unit, Rs.30.00 per sq.yd shall be charged upto 40 sq.yd size of plot and above that size Rs.40.00 per sq.yd shall be charged, as amalgamation fee.

## AMENDMENT THROUGH CORRIGENDA

- 21 (5) In fifth line for "laid down by these regulations" read "laid down by the Authority under these regulations".

## SECOND AMENDMENT

### Chapter V Clause 21 (5)

- a) If an occupant genuinely holds two units, one residential and the other commercial or residential cum-commercial, they shall be treated as follows:
  - i) In case, the area of the residential unit is not more than 100 sq.yds and for residential -cum-commercial or commercial unit not more than 25 sq.yds, he/she may be allowed to keep both the units on normal rates subject to production of satisfactory documentary evidence in respect of occupation of both units prior to 23.3.85.
  - ii) If the size of both units exceeds the size of units as mentioned in a (i) above, only residential unit may be allowed on normal rate and the residential-cum-commercial or commercial unit shall be disposed of at market rate. Normal rate be charged subject to production of satisfactory evidence in respect of occupation of residential unit prior to 23.3.85. An additional surcharge of 25% of the total amount of residential-cum-commercial or Commercial unit shall be charged for development purpose.

Continue on next page

- |     |  |   |
|-----|--|---|
| 19. | When framing an improvement scheme, the Authority shall have regard to:  | MATTERS TO BE CONSIDERED FOR FRAMING SCHEME |
|     | <ul style="list-style-type: none"> <li>a. The nature and the conditions of neighbouring areas of the city as a whole;</li> <li>b. The directions in which the city appears likely to expand; and</li> <li>c. The likelihood of improvement schemes for other parts of the city.</li> </ul> |   |
| 20. | The Authority may at any time include in a combined scheme, the improvement schemes framed or proposed to be framed for two or more adjoining katchi abadis.   | COMBINATION OF IMPROVEMENT SCHEME           |

## CHAPTER - V

### REGULARISATION PROCEDURES

- |         |   |            |
|---------|---|------------|
| 21. (1) | At the initial stage of regularisation of katchi abadis, the "unauthorized occupiers", shall be issued an application form prescribed by the Authority which shall contain all necessary information and documents to be produced along with the application, Procedures for formalities are shown in Schedule-A of the Katchi Abadis Regulations 1993. | PROCEDURES |
| (2)     | The application shall be submitted to the Authority within the prescribed period.   |            |
| (3)     | Regularisation shall be done according to the approved scheme of the katchi abadi.  |            |
| (4)     | Bifurcation or amalgamation of the Plots shall be done according to planning policies laid down for the katchi abadis.  |            |
| (5)     | If an occupant is in possession of more than one housing or dwelling units, only one housing or dwelling unit shall be regularized and the rest shall be disposed of as per procedures laid down by these regulations.  |            |
| (6)     | While disposing of the units under Sub-Section (5), preference will be given to blood relations of the owner.   |            |

# Appendix 3

- Lease rates for plots within informal settlements.

**"SINDH KATCHI ABADIS REGULATIONS 1993"****LEASE RATE STRUCTURE FOR THE KATCHI ABADIS IN  
KARACHI, HYDERABAD, SUKKUR & LARKANA DIVISIONS**

RATE IN RUPEES PER SQ.YDS

S.NO.	LAND USE CATEGORIES & SIZES OF PLOT	K.M.C./KARACHI (AREA)			H.M.C./HYDERABAD			S.M.C./SUUKUR (AREA)		
		COST OF LAND	DEV. CHAR- GES	COMPO- SITE RATE	COST OF LAND	DEV. CHAR- GES	COMPO- SITE RATE	COST OF LAND	DEV. CHAR- GES	COMPO- SITE RATES
		3A	3B	3C	4A	4B	4C	5A	5B	5C

**I. FOR PROVINCIAL / FEDERAL GOVERNMENT LAND****A. RESIDENTIAL**

1	UPTO 80 SQ. YD.	6	19	25	6	17	23	6	16	22
2	FROM 81-120 SQ. YD.	10	40	50	6	34	40	8	28	36
3	FROM 121-150 S.Q YD.	30	70	100	10	50	60	10	40	50
4	FROM 151 - 240 SQ. YD.	50	100	150	25	75	100	12	48	60
5	FROM 241 - S.Q. YD.	70	170	240	30	130	160	20	80	100
6	FROM 401 SQ. YD. & ABOVE	100	180	280	50	150	200	30	120	150

**B. RESIDENTIAL-CUM-COMMERCIAL**

7	UPTO 80 SQ YD.	30	50	80	16	64	80	8	32	40
8	FROM 31-120 SQ. YD.	30	90	120	20	80	100	12	48	60
9	FROM 121 -150 SQ.YD.	50	130	180	28	112	140	16	64	80
10	FROM 151- 240 SQ.YD .	80	180	260	36	144	180	24	96	120
11	FROM 241 SQ.YD. & ABOVE	100	200	300	50	200	250	36	144	180

**C. OTHER CHARGES****COMMERCIAL**

12	UPTO 150 SQ. YD.	60	240	300	40	160	200	30	120	150
13	FROM 151-400 SQ. YD.	80	320	400	60	240	300	50	200	250
14	FROM 401 SQ. YD. & ABOVE	100	400	500	70	280	350	60	240	300

**INDUSTRIAL**

15	UPTO 400 SQ YD.	80	320	400	60	240	300	50	200	250
16	FROM 401 SQ. YD. & ABOVE	160	640	800	120	480	600	100	400	500

17	AMENITY (ANY SIZE)			50			40		30	
18	RELIGIOUS (ANY SIZE)			1			1		1	

**II. FOR PRIVATE LAND.**

19	<u>ANY SIZE</u>			1000			400		300	
----	-----------------	--	--	------	--	--	-----	--	-----	--

**AMENDMENT THROUGH CORRIGENDA**

In the table column 3C insert "(LARGE)" after "DISTT. MUNICIPAL COMMITTEES" and in the table column 4A for "(LARMUNICIPAL COMMITTEES" read "MUNICIPAL COMMITTEES"



**"SINDH KATCHI ABADIS REGULATIONS 1993"****LEASE RATE STRUCTURE FOR THE KATCHI ABADIS IN  
KARACHI, HYDERABAD, SUKKUR & LARKANA DIVISIONS**

RATE IN RUPEES PER SQ. YDS

S.NO.	LAN USE CATEGORIES & SIZES OF PLOT	DISTRICT MUNICIPAL COMMITTEES HYD/SUK/LAR (AREA)			LARMUNICIPAL COMMITTEE (SMALL)&TOWN COMMITTEES HYD/SUK/LAR (AREA)		
		COST OF LAND	DEV. CHAR- GES	COMPO- SITE RATE	COST OF LAND	DEV. CHAR- GES	COMPO- SITE RATE
1	2	3A	3B	3C	4A	4B	4C

**I. FOR PROVINCIAL / FEDERAL GOVERNMENT LAND****A. RESIDENTIAL**

	UPTO 80 SQ.YD.	4	17	21	4	14	18
2	FROM 81 -120 SQ. YD.	7	27	34	5	22	27
3	FROM 121 -150 SQ. YD.	8	32	40	6	24	30
4	FROM 151 - 240 SQ. YD.	10	40	50	10	30	40
5	FROM 241 - 400 SQ. YD.	16	64	80	12	48	60
6	FROM 401 SQ. YD. & ABOVE	24	96	120	20	80	100

**B. RESIDENTIAL-CUM -COMMERCIAL**

7	UPTO 80 SQ. YD.	6	24	30	5	20	25
8	FROM 81 -120 SQ. YD.	10	40	50	8	32	40
9	FROM 121 -150 SQ. YD.	14	56	70	10	40	50
10	FROM 151 - 240 SQ. YD.	20	80	100	16	64	80
11	FROM 241 SQ. YD. & ABOVE	30	120	150	24	96	120

**C. OTHER CATEGORIES****COMMERCIAL**

12	UPTO 150 SQ. YD.	20	80	100	15	60	75
13	FROM 151-400 SQ. YD.	30	120	150	20	80	100
14	FROM 401 SQ.YD.& ABOVE	40	160	200	30	120	150

**INDUSTRIAL**

15	UPTO 400 SQ. YD.	40	160	200	30	120	150
16	FROM 401 SQ. YD. & ABOVE	80	320	400	60	240	300
17	AMENITY (ANY SIZE)			20			15
18	RELIGIOUS (ANY SIZE)			1	1		

**II. FOR PRIVATE LAND.**

19	ANY SIZE		200				100
----	----------	--	-----	--	--	--	-----

- NOTE :
- WHERE THE PRIVATE LAND IS INVOLVED THE LEASE RATES MAY BE ENHANCED AS PER THE PREVALENT VALUE.
  - MINIMUM MARKET RATE SHALL BE FIXED AT DOUBLE THE RATE PROVIDED FOR DIFFERENT CATEGORIES OF VARIOUS SIZES OF PLOTS, SHALL BE CHARGED PROPORTIONALLY DOUBLE FOR THE PART AREA EXCEEDING BEYOND A CATEGORY SIZE PLOT UPTO ITS NEXT STAGE.
  - 25 % ADDITIONAL SURCHARGE SHALL BE RECOVERED WHERE APPLICABLE.

AMENDMENT THROUGH CORRIGENDA

- 6 In fourth line of column 3 omit "colon" after the word "Commercial" and after the word "Double" insert "of"
- 8 In third line of column 2 for "inhsritance" read "inheritance"
- 9 In fourth line of column 3 for "6" read "7"

# SINDHKATCHIABADISREGULATIONS1993

## LEASE/PERMISSION FOR MORTGAGE/MUTATION CHARGES ETC.

Sr. NO.	PARTICULARS OF CHARGES	RATES	REMARKS
1	2	3	4

### A: KARACHI DIVISION

1.	Cost of Indenture of leases (5 copies each containing 8 pages)	Ra. 15/- per aet	
2.	Payment Certificates	Rs. 30/- per each	
3.	Certified true copies of document of title	Rs. 20/- per each	
4.	Fee for Revalidation of challans	Rs. 10/- per each	
5.	Reverification fee	Rs. 500/	
6.	Fee for permission to Mortgage/Assign	Rs. 50/- upto 120 Sq. Yds. Rs. 100 for above. For Commercial Double this rate.	
7.	Fee for transfer of lease of plots/quarters on the basis of sale	Rs. 10/- per. Sq.Yd up 120 Sq. Yds. Rs. 15/- per Sq.Yd above 120 Sq.Yds.  Rs. 20/- per Sq.Yd for commercial, upto 120 Sq.Yds.  Rs. 30/- per Sq. Yd for commercial, above 120 Sq. Yds.  Rs. 30/- per Sq. Yd for Industrial plots, any size.	
8.	Mutation for on the basis of Regd. Gift or by way of Inhscitance or the Decision of court.	Rs. 1/- per Sq.Yd any size	
9.	Oral Gift	Rs. 10/- per Sq.Yd (like n pre-lease Transfer as at sr. No.6 above)	

AMENDMENT THROUGH CORRIGENDA

- 10 In first line column 2 for "re-demarcation" read "demarcated plan", in line one of column 3 omit "Rs.1/per sq.yd. and in line three of column 3 insert "per set" after "Rs.500/-"
- 13 In first line of column 3 omit "ov" before word "new"
- B In third line of column 3 for "as per" read "at par" and in line six for "chares" read "charges".

SECOND AMENDMENT

Schedule C-17

No storey charges shall be levied for building having structure above ground floor.

Schedule - C

a) Fee for survey of residential plots:

i)	Upto 80 sq.yds	Rs.200/- per plot
ii)	From 81 to 120 sq.yds	Rs.250/- per plot
iii)	From 121 to 240 sq.yds	Rs.400/- per plot
iv)	Above 240 sq.yds	Rs.600/- per plot

b) Fee for survey of R/C plots:

i)	Upto 80 sq.yds	Rs.300/- per plot
ii)	From 81 to 120 sq.yds	Rs.400/- per plot
iii)	From 121 to 240 sq.yds	Rs.600/- per plot
iv)	Above 240 sq.yds	Rs.1000/- per plot

c) Fee for survey of commercial plots:

i)	Upto 150 sq.yds	Rs.1000/- per plot
ii)	From 151 to 400 sq.yds	Rs.2000/- per plot
iv)	Above 400 sq.yds	Rs.5000/- per plot

d) Fee for survey of industrial plots:

i)	Upto 150 sq.yds	Rs.1500/- per plot
ii)	From 151 to 400 sq.yds	Rs.3000/- per plot
iv)	Above 400 sq.yds	Rs.6000/- per plot

e) Fee for survey of amenity plots:

i)	Any size	Rs.2000/- per plot
----	----------	--------------------

f) Fee for survey of religious plots:

i)	Any size	Rs.1000/- per plot
----	----------	--------------------

Continue on next page

10. Fees for re-demarcation	Rs. 1/- per Sq. Yd subject to minimum of Rs. 500/
11. Lease Charges	Rs. 1/- per Sq. Yd
12. Surcharge/late fee in Payment of Challan.	15% according to Bank Rate
13. Non-Utilization fee	12% p.a. of ov new rates & in respect of commercial plots
14. Sub-Lease Charges	Rs. 15/- per Sq. Yd of the plot.
15. Cost of Application Forms.	Rs. 15/- per each
16. Bifircation of plots	Rs. 15/- per each
	Rs. 10/- per Sq. Yd upto 120 Sq. Yds.
	Rs. 15/- per Sq.YD above 120 Sq. Yds.
	Rs. 25/- per Sq.Yd above 120 Sq.Yds. for Commercial.
	Rs. 45/- per Sq.Yd above 120 Sq.Yd for Commercial
	Rs. 35/- per Sq.Yd upto 120 Sq. Yds. for Industrial.
	Rs. 55/- per Sq.Yd above 120 Sq.Yd= for Industrial.
17. Plot value shall be increased for each residential Storey/ Commercial Storey/ Industrial Storey.	25% of Plot value be increased for each Residential storey. 35% of Plot value be increased for each commercial storey.
	45% of Plot value be increased for each Industrial storey.

**B: HYDERABAD, SUKKUR, AND LARKANA DIVISION:**

Except HMC and SMC which will be treated as per with Karachi, with regard to levy of lease/mortgage / mutation etc. shares, contained in Schedule B above, half of these charges will be levied in respect of Hyd. Sukkur and Larkana Divisions.

## SECOND AMENDMENT

### Schedule C-17

**g) Fee for no objection certificate for provision  
of sul gas to no leases units only:**

i)	For residential units	Rs.500/- per unit
ii)	For R/C units	Rs.1000/- per unit
iii)	For commercial units	Rs.2000/- per unit
iv)	For industrial units	Rs.4000/- per unit
v)	For religious & amenity plots	Rs.100/- per unit

**h) Fee for no objection certificate for provision  
of electricity to non leased units only:**

i)	For residential units	Rs.500/- per unit
ii)	For R/C units	Rs.1000/- per unit
iii)	For commercial units	Rs.2500/- per unit
iv)	For industrial units	Rs.5000/- per unit
v)	For religious & amenity plots	Rs.100/- per unit

**i) Fee for no objection certificate for telephone  
connection to non leased units only:**

i)	For residential units	Rs.1000/- per unit
ii)	For R/C units	Rs.1500/- per unit
iii)	For commercial units	Rs.3000/- per unit
iv)	For industrial units	Rs.6000/- per unit
v)	For religious & amenity plots	Rs.100/- per unit

**j) Fee for certified true copies of documents** Rs.25/- per page  
subject to minimum of Rs.100/-

**k) Fee for challan papers** Rs.200/- per set

**l) Departmental charges** 17.5% of the gross amount of challan

### AMENDMENT THROUGH CORRIGENDA

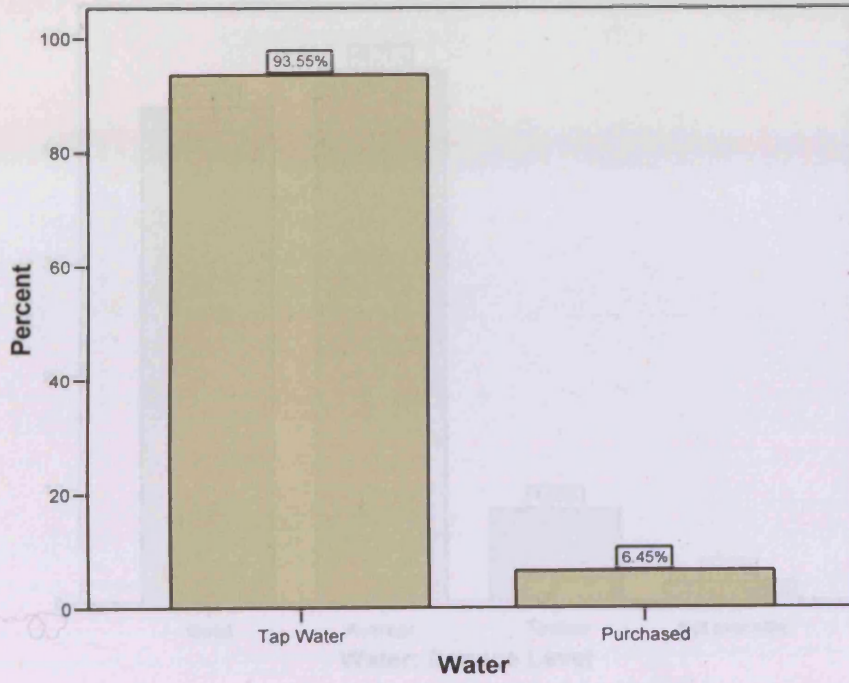
In third line table column 3 for SKKA\* read "SKAA" and in line one of column 5,6&7 for "EXECESS" read "EXCESS"



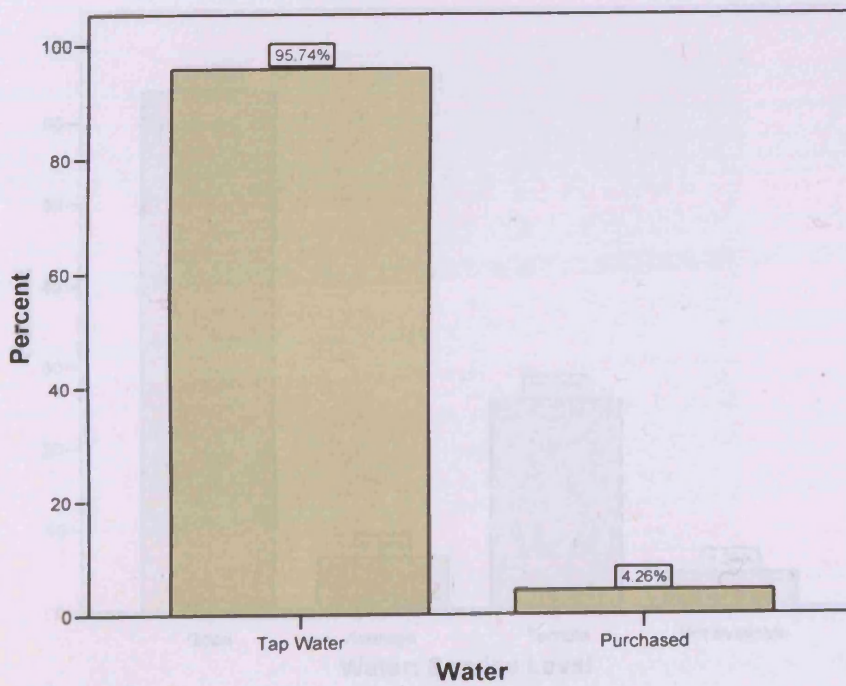
## Appendix 4

- Amenities condition within informal settlement. Graphs prepared from the data collected during the research through survey.
- Both Karachi and Faisalabad surveyed population was given same questionnaire and any missing field is due to fact that there was a zero response.

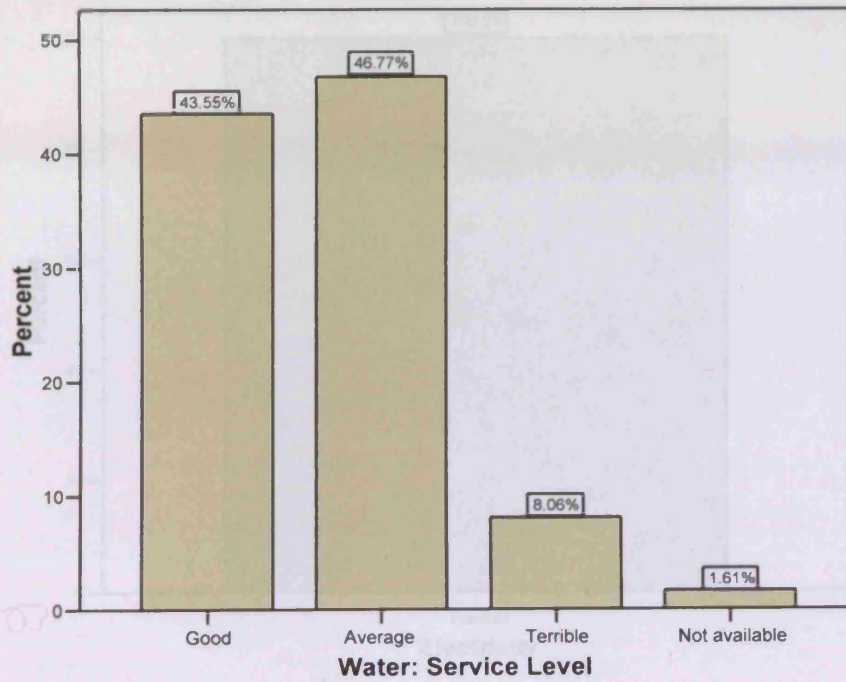
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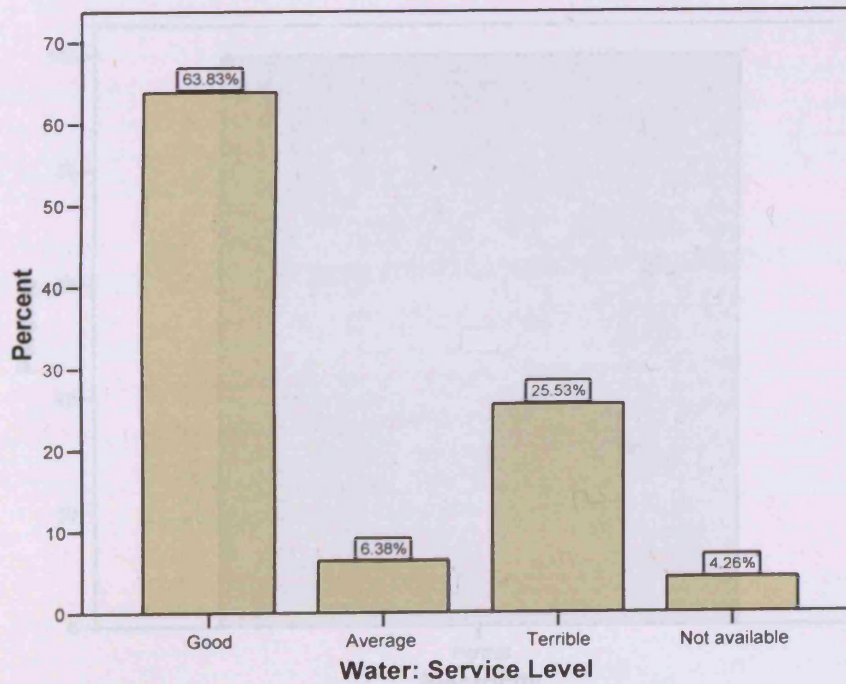
### Water - Faisalabad



**Water: Service Level - Karachi**

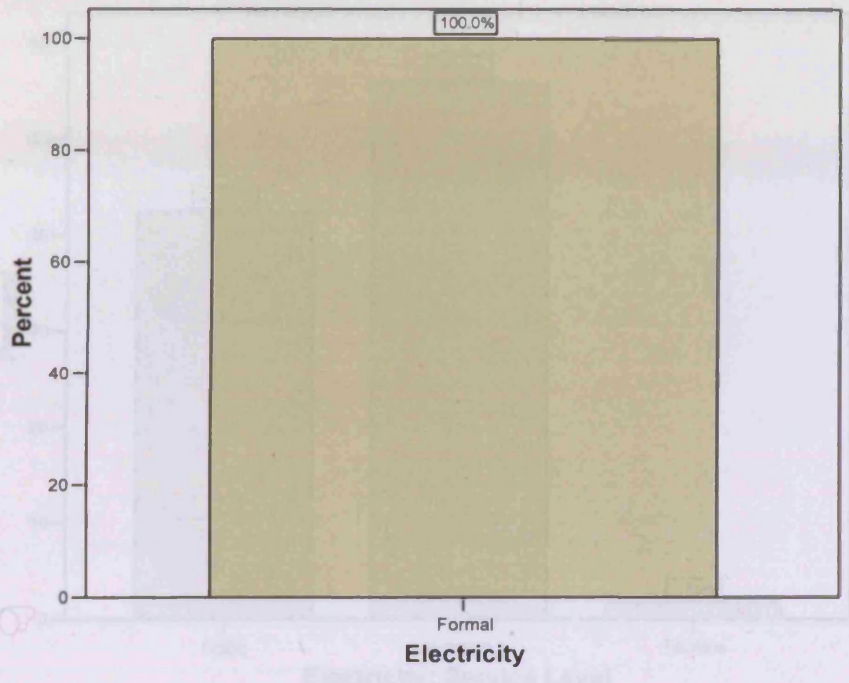


**Water: Service Level - Faisalabad**

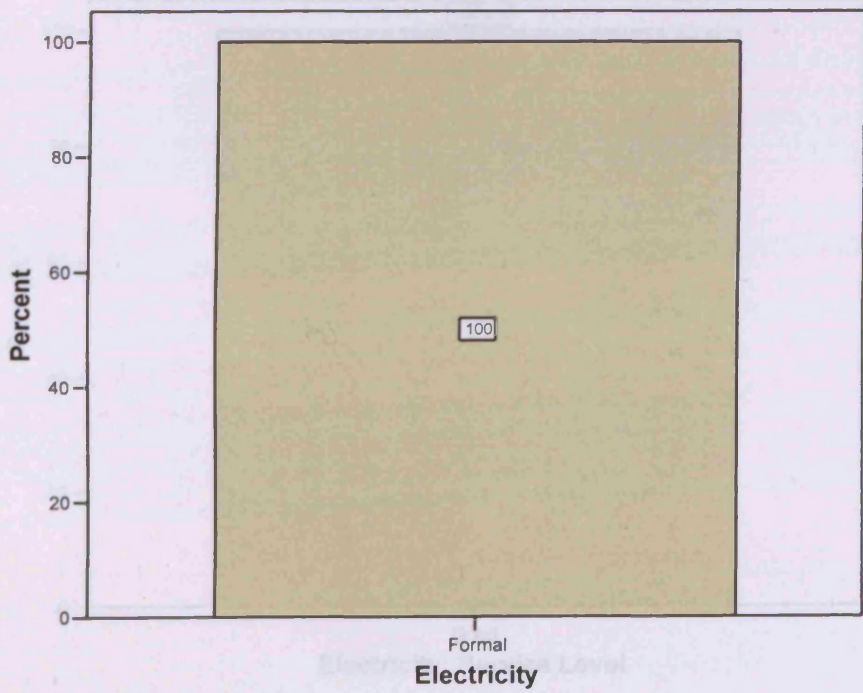




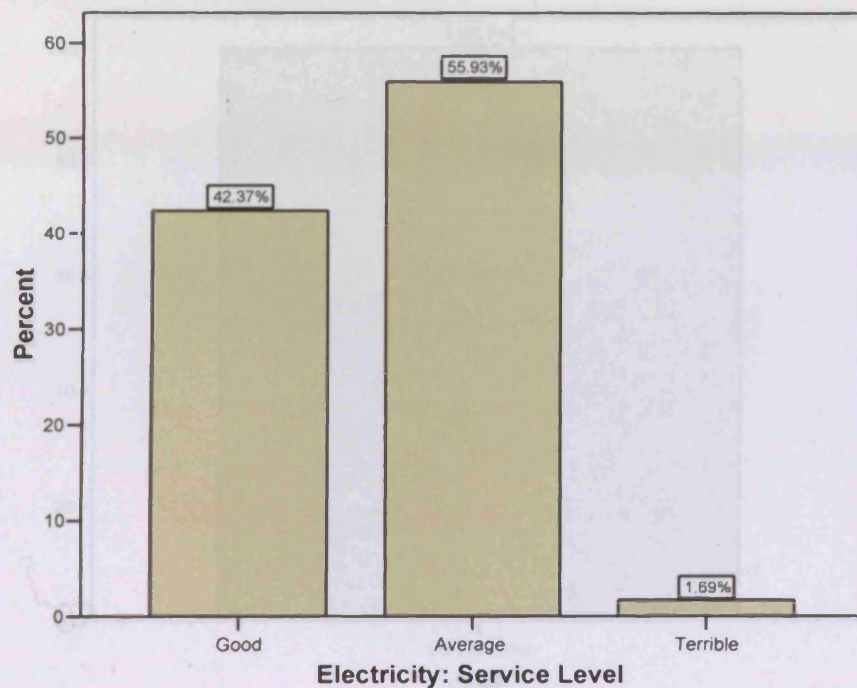
### Electricity - Karachi



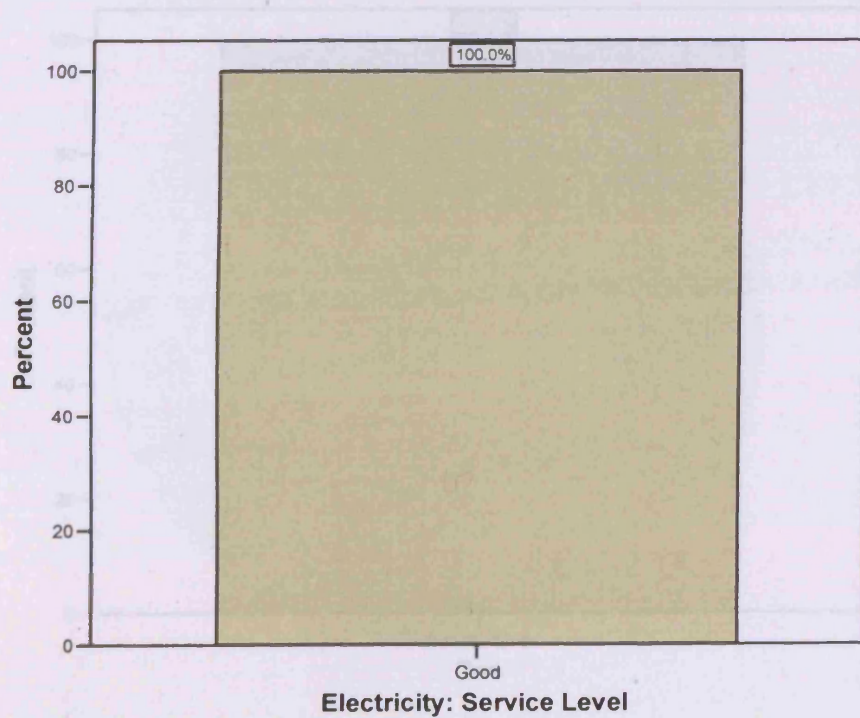
### Electricity - Faisalabad



### Electricity: Service Level - Karachi

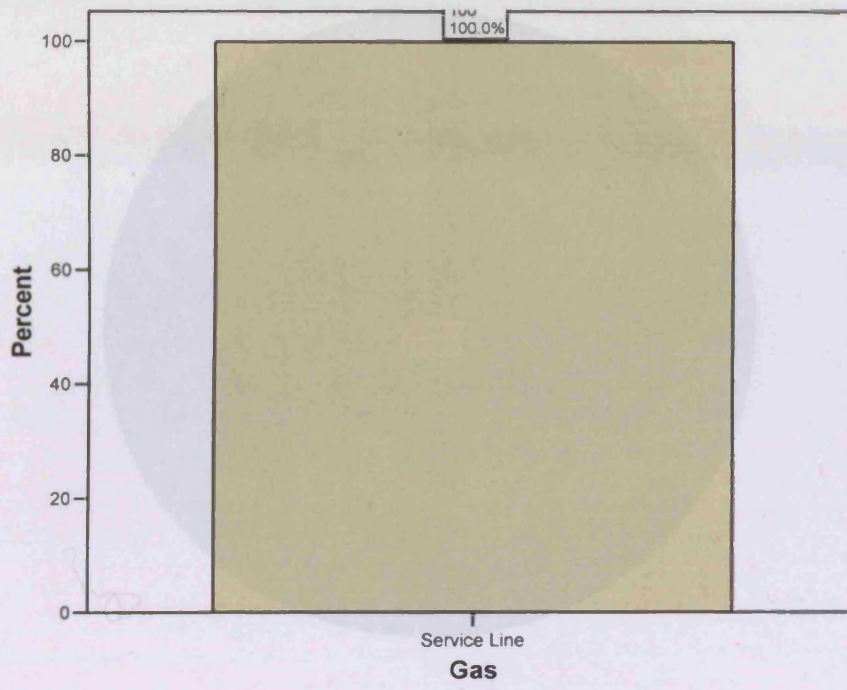


### Electricity: Service Level - Faisalabad

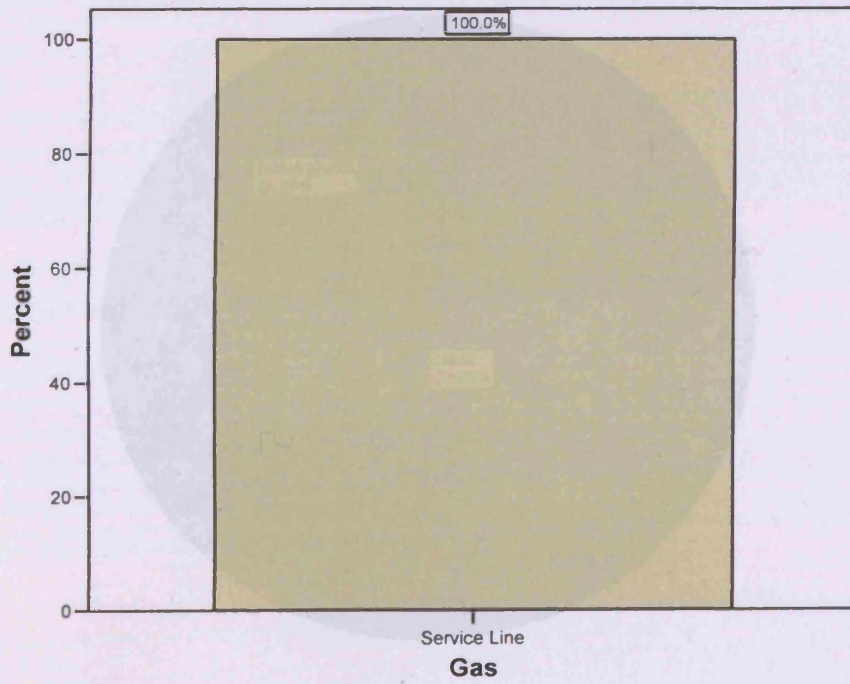




### Gas - Karachi

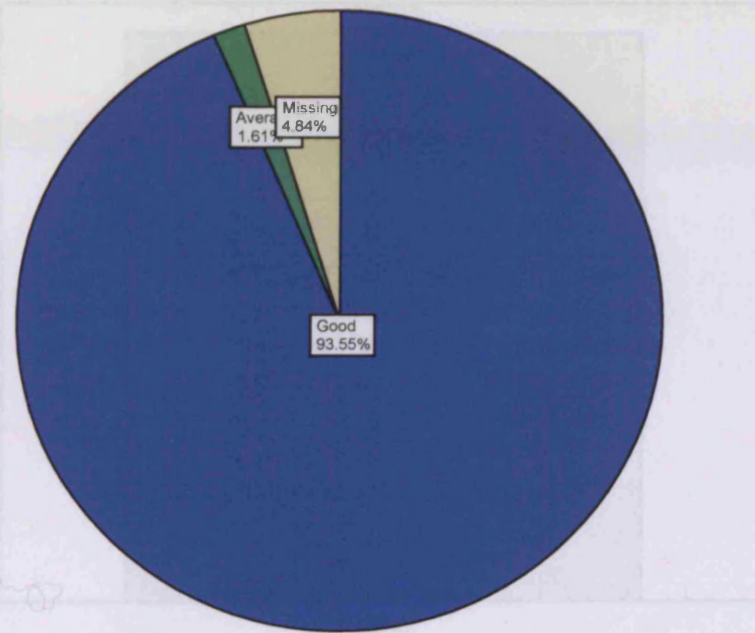


### Gas - Faisalabad

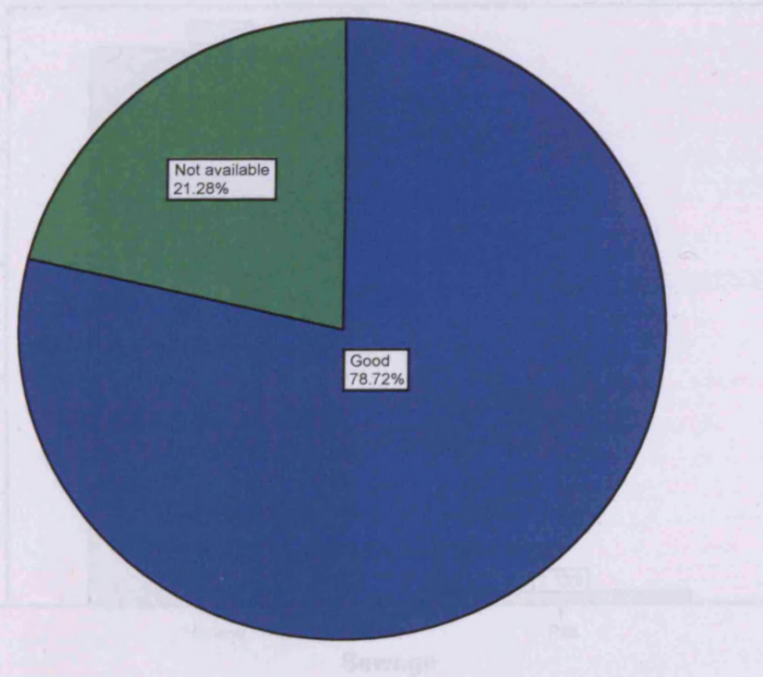




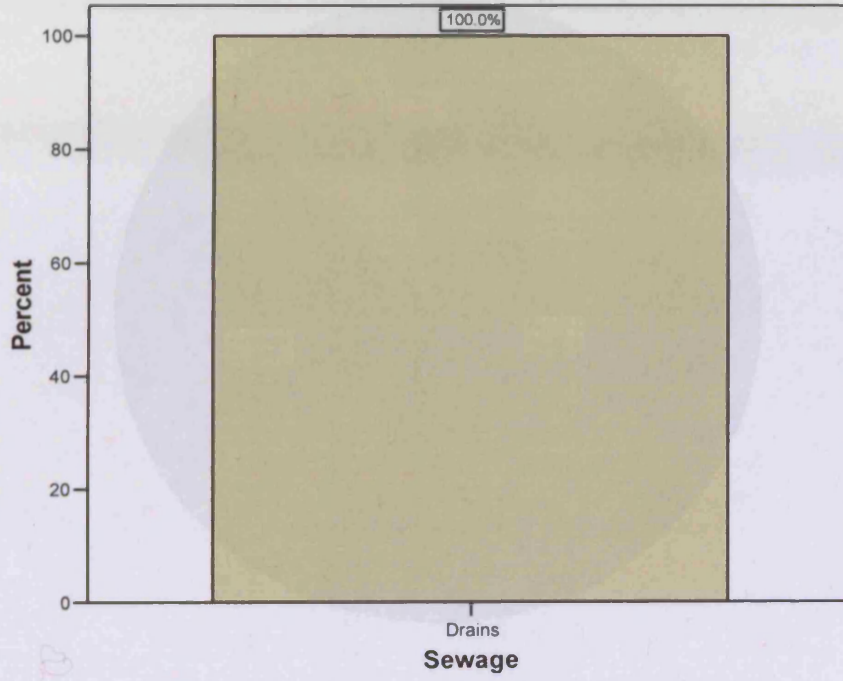
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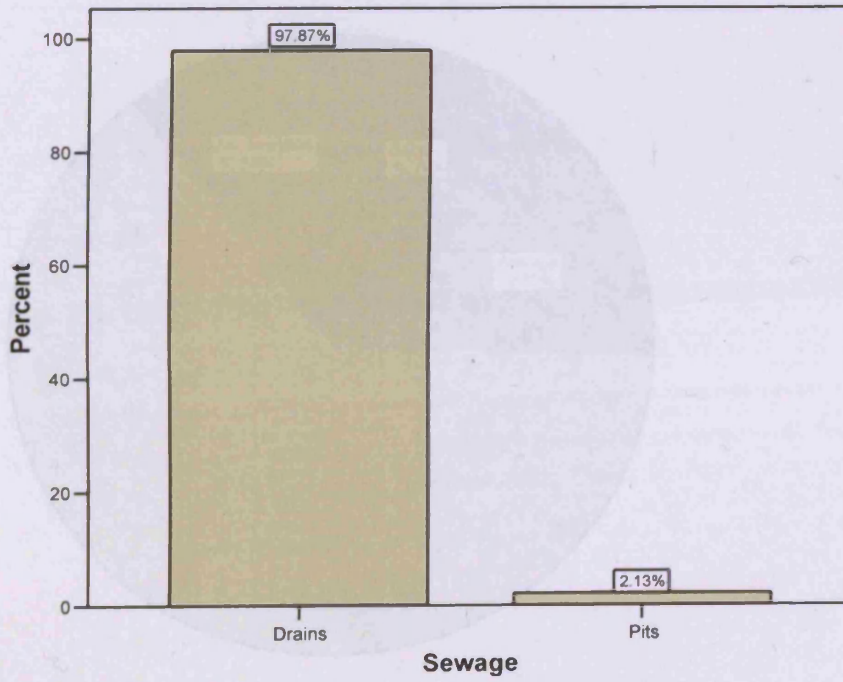
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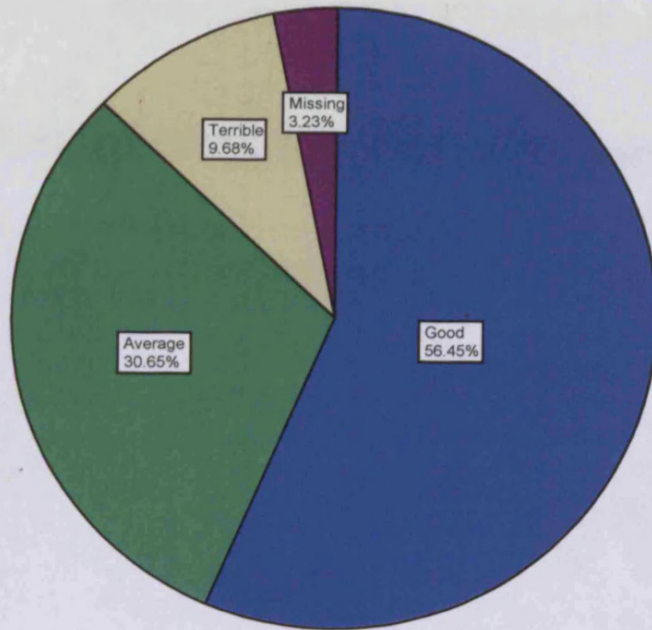


### Sewage - Faisalabad

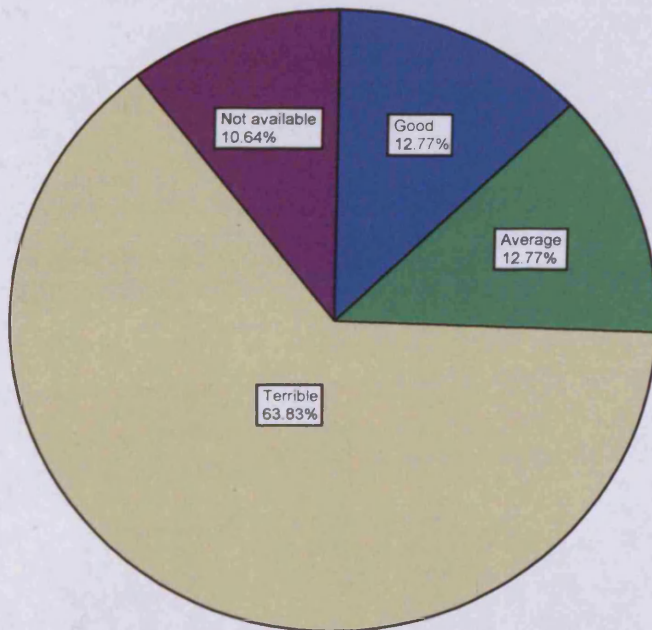




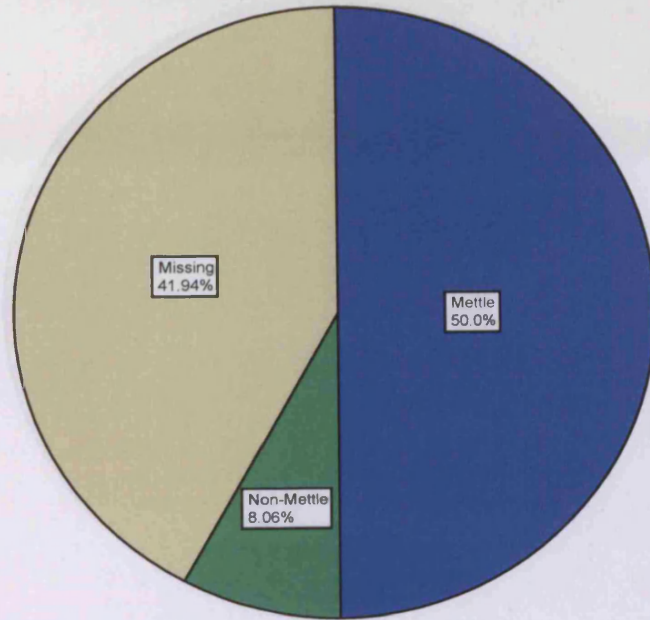
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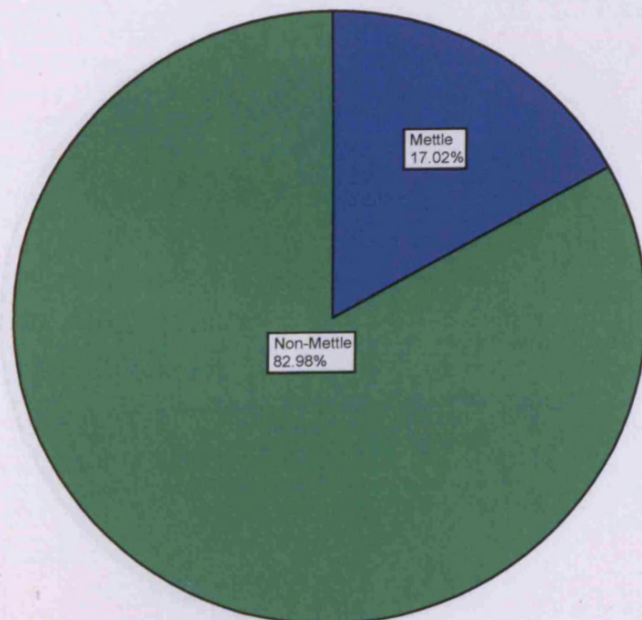
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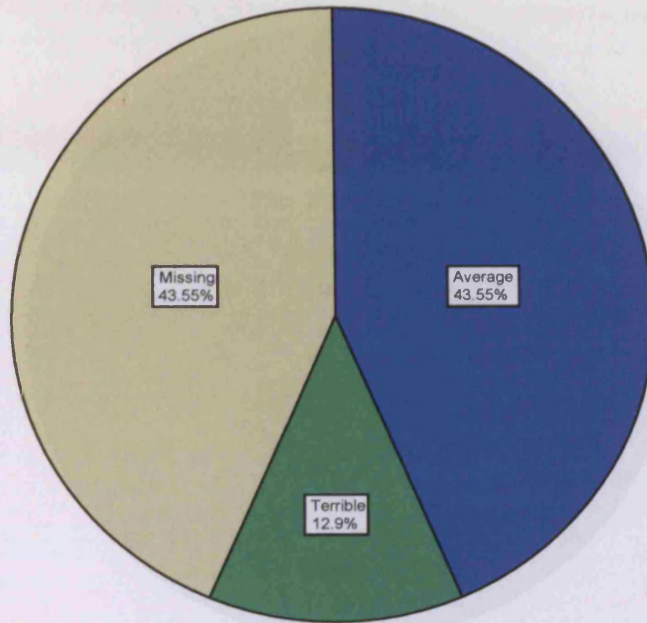


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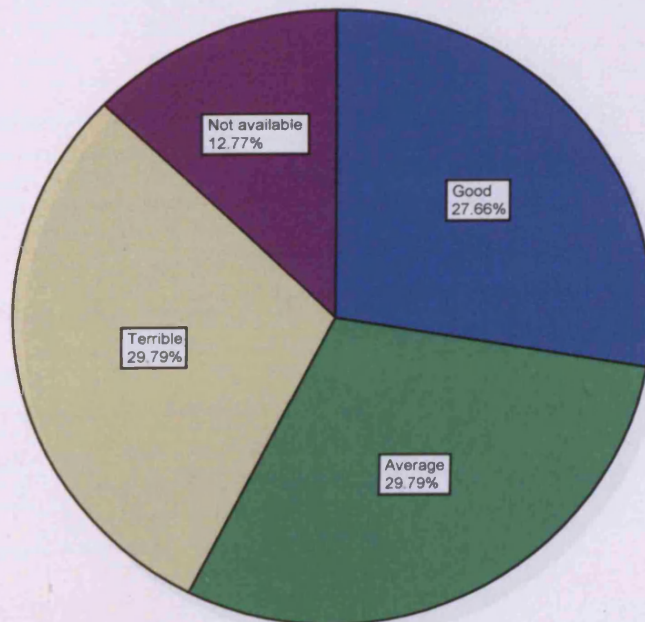




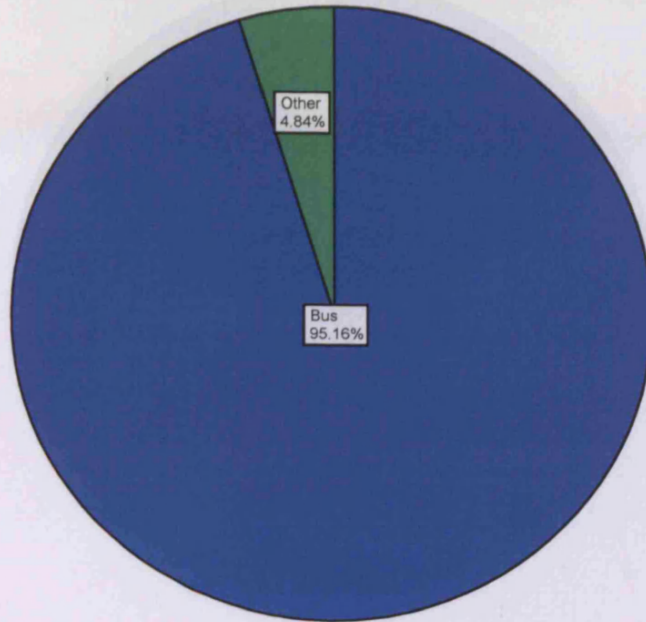
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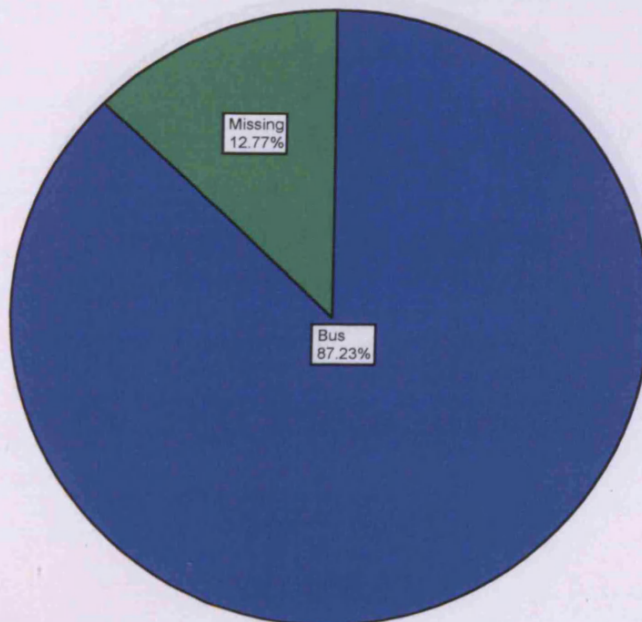
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Transport - Karachi

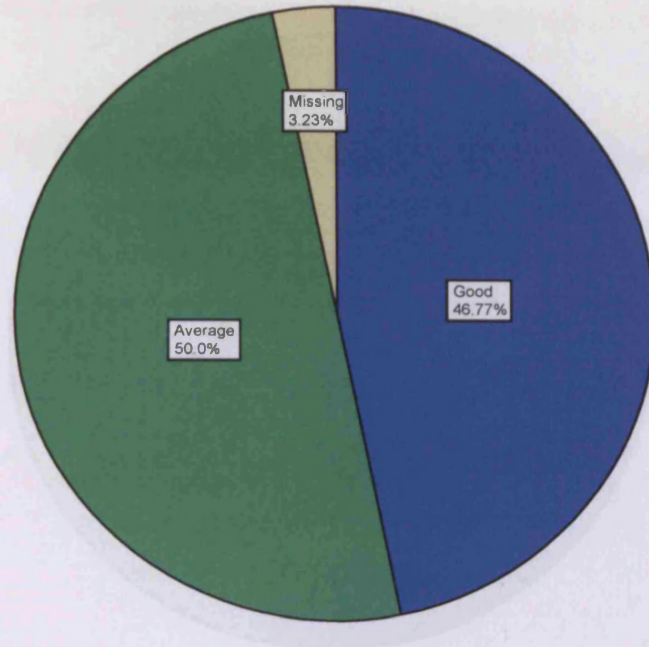


Transport - Faisalabad

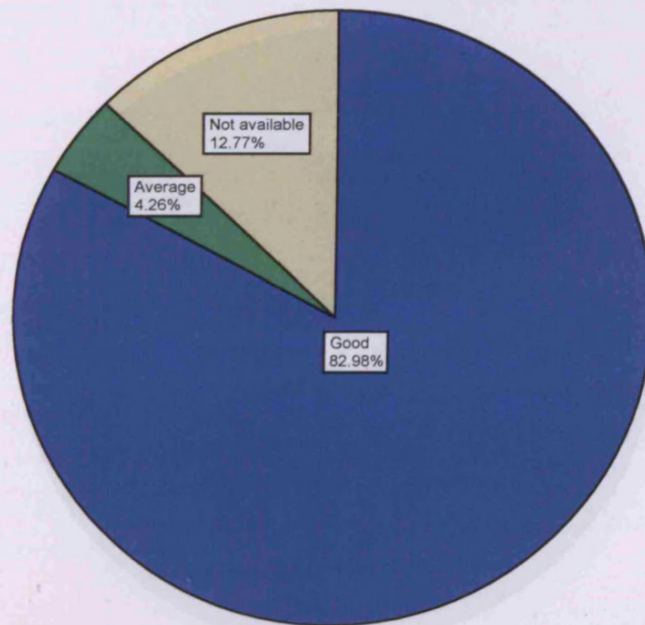




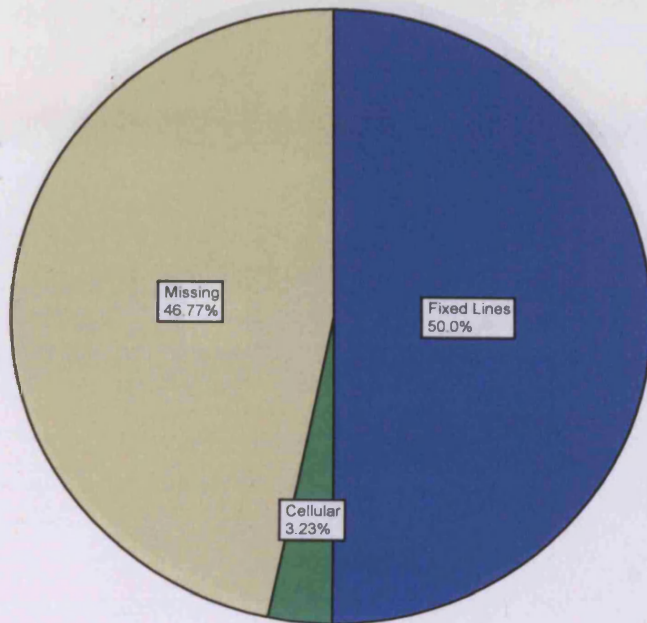
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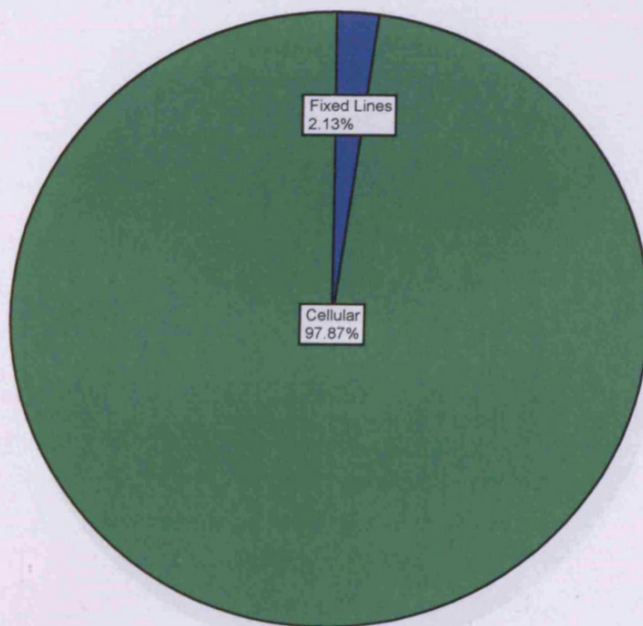
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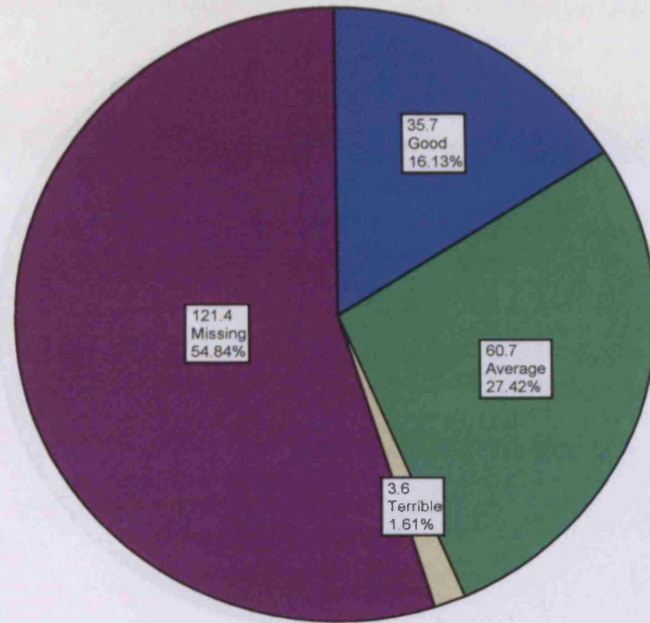


### Telephone - Faisalabad



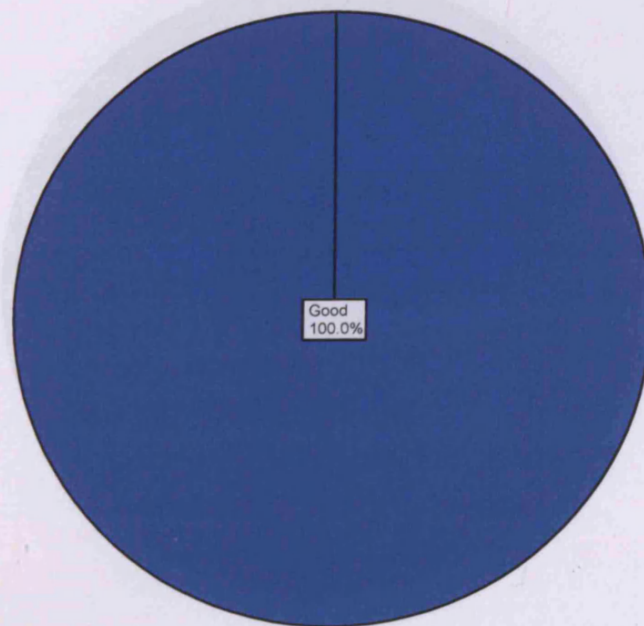


Quality of Telephone: Service Level - Karachi - Karachi

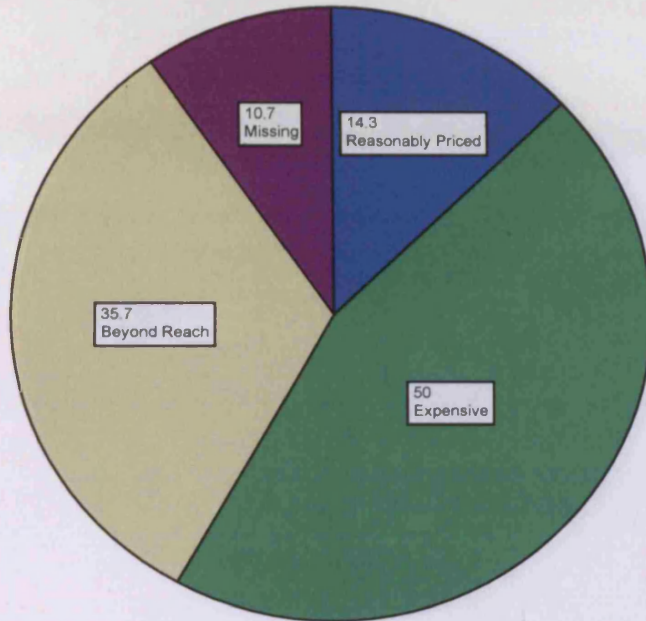


Quality of services of the Utility Provider Pricing - Faisalabad

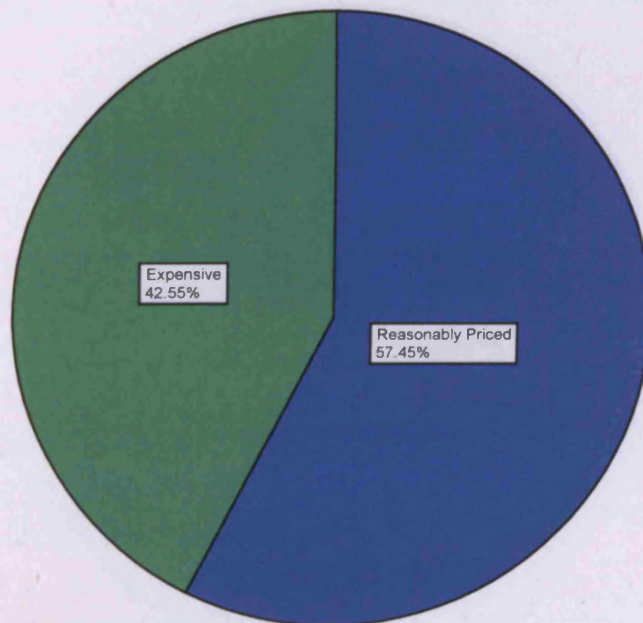
Telephone: Service Level - Faisalabad



Quality of services of the Utility Provider: Pricing - Karachi

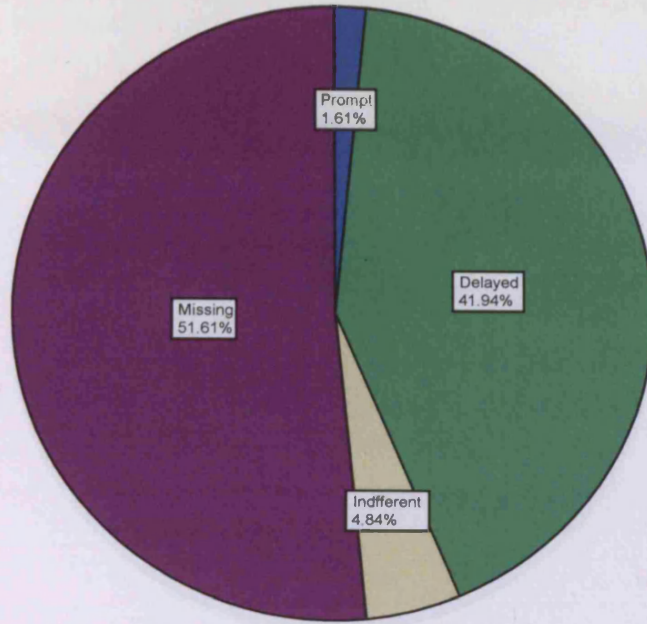


Quality of services of the Utility Provider: Pricing - Faisalabad

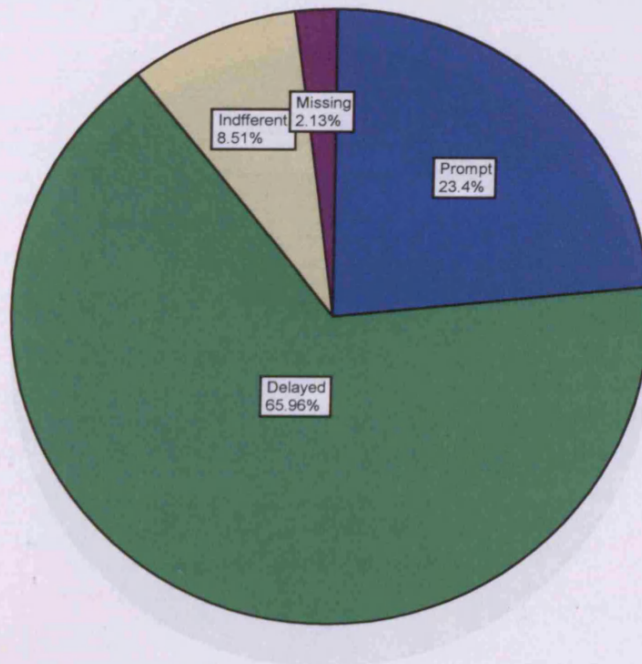




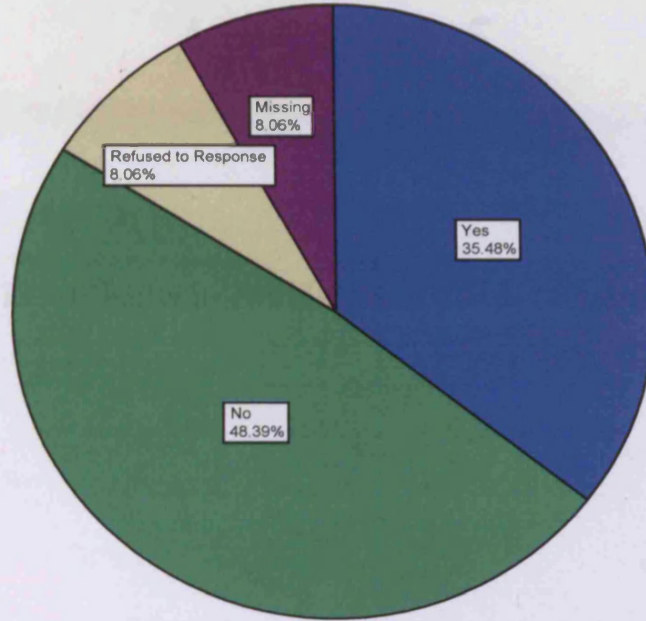
Quality of services of the Utility Provider: Service - Karachi



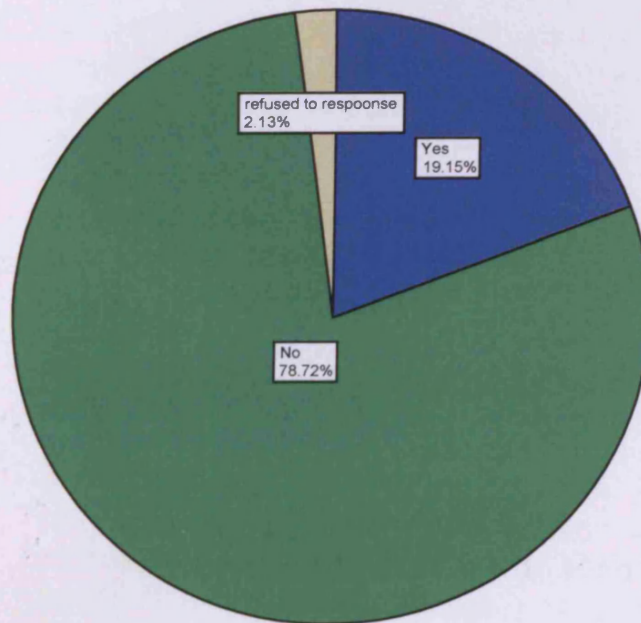
Quality of services of the Utility Provider: Service - Faisalabad



**Extra Charges being Paid to Avail the Services (Over and Above the Bills) -Karachi**



**Extra Charges being Paid to Avail the Services (Over and Above the Bills) - Faisalabad**





# Appendix 5

- Chapter 19 of 'Karachi Building and Town Planning Regulations 2002.

## CHAPTER 19 - GENERAL STANDARDS: LAND USE

### CLASSIFICATION

#### General

19-1.1. As used in this land use classification, as elsewhere in these Regulations, the term 'includes or 'including' indicates that the listed items are intended to be illustrative and not exclusive.

19-1.2. Where land includes mixed uses, the designations of the various uses classes may be combined as appropriate (e.g. "commercial-cum-residential").

#### Urban Uses – Residential

19-2.1. Residential uses: includes all land used for dwelling facilities, but does not include land used for lodging facilities operated on a commercial basis.

19-2.2. Other residential uses:

19-2.2.1. Government Uses: includes the use of land for all governmental purposes such as offices, post offices, police stations, jails and foreign missions, other than uses specifically included in other classifications.

19-2.2.2. Health and Welfare Uses: includes land used for health and social welfare services such as health centre, medical & dental clinics, hospitals, maternity homes, medical research institutions, nurseries, mother and child care centres, homes or other institutions for physically disabled persons, mental institutions, homes for the elderly, and veterinary clinics/hospitals including green areas and open spaces essential for the proper functioning of such institutions.

19-2.2.3. Education uses: includes all land used for nursery schools, kindergartens, primary schools, secondary schools, high schools, colleges, special colleges, technical colleges, universities, research institutes, madressah, all such institutions related with education purposes (other than medical), and fine arts institutes, including green and open spaces essential for the proper functioning of such institutions.

Note : The sites reserves for education use can not be convert into any other use.

- 19-2.2.4. **Assembly Uses:** includes all land used for libraries, cinemas, theatres, concert halls, planetaria, aquaria (if outside of zoo), non-sportive clubs, exhibition halls, and exhibition grounds etc. With the exception of exhibition grounds, open areas of these facilities will be limited by their actual operational needs.
- 19-2.2.5. **Religious uses:** includes all land used by mosques, jamaat khana, monasteries, churches, synagogues, shrines, temples, dargahs, imambargahs, and tombs including ancillary green and open spaces belonging to the religious body owning the land.
- 19-2.2.6. **Commercial (trade) uses:** normally includes only the land used for the activity in question, though this may be increased by additional open or green space, if the operation of the facility concerned requires it. Commercial (trade) uses includes:
- a) whole sale trade: subzi mandi, fruit mandi, whole sale markets.
  - b) retail shopping: including shops, shopping centres, department stores, bazaars, markets and hawkers areas juma bazar etc.;
  - c) personal services: including barbers, hair-dressers, baths, tailoring, shoe-making, laundries and dry cleaners;
  - d) catering: including restaurants, banquet halls, marriage hall/lawn, refreshment stalls, buffets,
  - e) lodging: including hotels, motels and clubs providing lodging;
  - f) business offices including banks;
  - g) petrol stations, , CNG station.
  - h) Cyber Cafe etc.

19.2.2.7. Parks and playgrounds: includes:  
all green spaces, including various related cultural or recreational facilities such as greenhouses, zoological and botanical gardens and their related feasibility, toilet for both sex and first aid facility, but excluding green spaces ancillary to welfare or educational facilities, and excluding median or other dividing green strips in road rights-of-way;

19-2.2.8. PLAY GROUND

- a) All open spaces designated for all indoor or outdoor sports activities of all types whether fully developed or not; and
- b) All structures serving sports activities, like sports complex, gymnasias, swimming pools, stadium, race-courses, sports clubs of all kinds, whether they are part of an open space designated for sports activities or are independent structures.

Note: Spaces reserved for parks and play grounds shall not be converted for any other amenity or for any other use.

19-2.2.8. Burial grounds: includes graveyards of any religious denomination, Towers of Silence and crematoria.

19-2.2.9. Transportation right-of-way: includes highways and refer roads with service road and streets, parking and loading areas therein, green belts, and pedestrian lanes.

19-2.2.10. Parking: includes driveway, parking spaces, bus bays, parking lots, ramps, and buildings used wholly for parking purposes.

19-2.2.11. Residential manufacturing: those industries in which the process carried on or the machinery installed are such that it could be carried on or installed in any residential area without detriment to the environment or pleasant circumstances, features and advantages of the area as specified in Regulation No.25-6.1.

19-2.2.12. Aquatic Recreational Areas: Sea coast, lakes, rivers, ponds, water falls, boating basins, marine promenade, marine clubs, yachting clubs. Urban uses - Non residential

**19-3. Urban uses- Non residential**

19-3.1. Manufacturing Uses: includes all industrial activities other than cottage industries and may be sub-divided into:

19-3.1.1. large-scale manufacturing/ heavy industry.

19-3.1.2. small-scale manufacturing/ light industry.

19-3.2. Wholesale uses: includes all warehousing, godowns, and wholesale markets

19-3.3. Construction: includes yards of construction firms, open storage of construction materials, pre-processing of constructional materials, and small pre-fabrication plants serving particular construction projects, but does not include a site under construction which is intended for another ultimate use.

19-3.4. Utilities and Municipal Service facilities: includes all facilities for utility services, excluding those parts of utility networks that are under or above transportation rights-of-way. Utilities and municipal services facilities may be included:

19-3.4.1. Water supply: including protected water resources areas, water purification plants, pumping stations, water mains, water conduits rising mains and water reservoirs;

19-3.4.2. Sewerage: including treatment plants, sewage farms, oxidation ponds, sludge ponds outside industrial enterprises, pumping stations and main trunk sewers;

19-3.4.3. Solid waste disposal: including composting plants incinerator and general or special dumping grounds and landfill sites;

19-3.4.4. Electricity: including power stations, step-down stations, transformers in separate structures, and high-tension lines.

19-3.4.5. Gas: including gas works, pressure reducing stations and main gas conduits;

19-3.4.6. Communication: including Radio, TV, wireless stations, boosting stations and telephone exchanges etc.

19-3.4.7. Others: including storm water drains, flood embankments fire-brigade stations, depots of public works supplies and equipment, and civil defence depots.

19-3.5. Transportation terminals: includes airports, harbours, railway stations and yards, bus depots, truck terminal stands and tramway depots and terminals.

19-3.6. Protection Zones: includes buffer areas around industrial facilities or transportation terminals and river beds, which must be kept vacant to protect nearby uses from such facilities or terminals, but does not include buffer areas suitable for agriculture.

#### **19-4. Semi-Urban Uses**

19-4.1. Vacant improved land: includes land reclaimed for development, such as through the provision of major roads and trunk utility lines, but not yet developed.

19-4.2. Restricted land: includes land the use of which is governed by national security regulations.

#### **19-5. Non-Urban Uses**

19-5.1. Agriculture and Forestry Uses:

19-5.1.1. Agricultural lands: includes arable lands, Poultry Farm, pastures and grazing grounds and orchards.

19-5.1.2. Woodlands: includes woods, forests and tree nurseries.

19-5.1.3. Fishing: includes fish harbours, fish ponds and fish farms or hatcheries.

19-5.1.4. Irrigation: includes irrigation canals, ditches and dykes.

19-5.2. Mines and quarries.

19-5.3. Salt pans.

19-5.4. Non-Urban Vacant:



## 19-Land Use Classification

- 19-5.4.1. Developable vacant: includes vacant land, whether developable for urban or non-urban use, other than vacant land under.
- 19-5.4.2. Residual Vacant Land: including areas prone to risks/hazards detrimental to human lives, all land not capable of development, including land subject to annual flooding.
- 19.5.5. Water bodies, sea, lake, pond, rivers.
- 19.5.6. Tourist resorts/Holiday Towns and Historical sites.

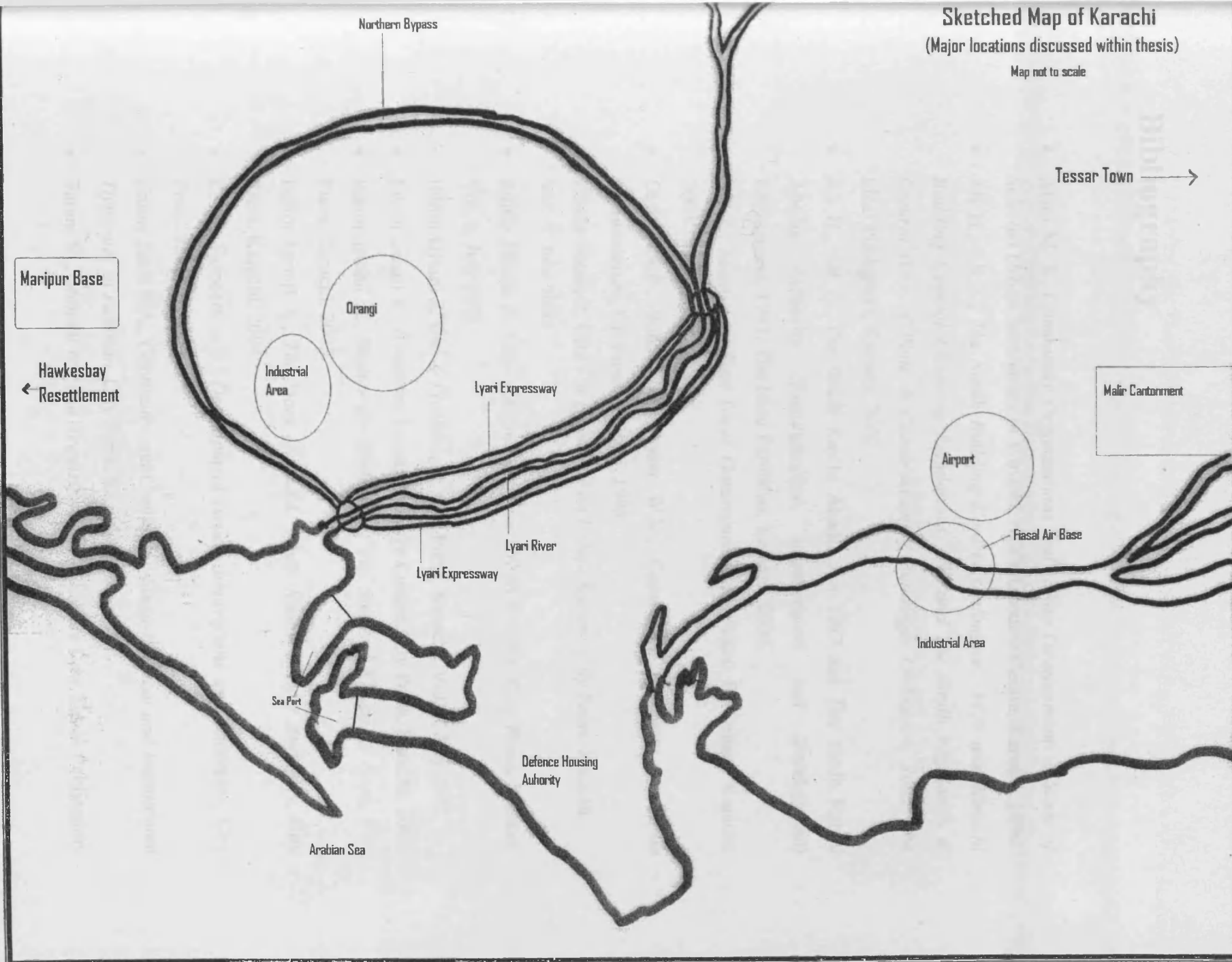
# Appendix 6

- **Sketched map of Karachi showing location of settlements discussed in the thesis**

# Sketched Map of Karachi

(Major locations discussed within thesis)

Map not to scale



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