

Squatter Settlements

K. D. Willis, Royal Holloway, University of London, Egham, UK

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Glossary

Burgess Model Developed by Ernest W. Burgess in 1925, this modeled the urban social structure of industrialized cities based on the case of Chicago. The model consisted of a series of concentric rings around the central business district, with working-class populations living near the center where industries were located, and middle-class households living further out from the center.

Gentrification Processes of urban social and economic change, which involve increased property prices and the influx of higher-income residents. May be associated with urban government infrastructure projects.

Micro-Finance Term given to schemes which aim to provide funding to very poor individuals or families who are unable to obtain loans from formal lending institutions.

Neoliberalism A political and economic ideology and set of practices which focus on reducing the role of the state and expanding the involvement of the private sector.

Introduction

As more and more of the world's population lives in urban areas, access to housing has become a growing concern. This is not because housing is necessarily difficult to find in urban areas, but because the rates of urbanization and the availability of appropriate housing do not match. The majority of people living in the cities of the Global South (where rates of urban growth are highest) are poor. Governments are unable or unwilling to provide sufficient housing, and private sector housing provision is too expensive for most households. Given this housing gap, poor urban households have developed their own solutions. These often include what have been termed 'squatter settlements' where households occupy land and build their own houses. While housing quality and access to services may be limited, such opportunities are key in providing millions of people shelter.

In this article, the main debates surrounding squatter settlements are outlined, focusing on definitional issues and their geographical distribution. The changing nature of policies toward these settlements is also covered.

Definitions

The term squatter settlement is often used as a general term to encompass low-quality housing, occupied by the poor, usually on the periphery of cities in the Global South. Such use makes it synonymous with other terms such as 'shanty town' and 'informal settlement'. Despite the fact that they are often used interchangeably, these terms actually refer to different forms of shelter, with distinctions by land tenure, building type, construction method, and legal status. Formally, a squatter settlement is identified by land tenure, with residents occupying land illegally, that is, squatting. This may be through an organized land invasion, but is more often through the gradual accretion of the settlement as people move in over time. In many parts of the Global South, squatters occupy public or communal land as it is often harder to remove them from such locations, rather than privately held terrain.

In contrast, shanty towns are formally defined according to the quality of the buildings; shanties are usually flimsy constructions made out of materials such as cardboard, plastic, and corrugated iron. The buildings lack access to services such as water, electricity, and sanitation. Poor housing quality is also implied by the term 'slum', but this term also encompasses rental housing and overcrowded conditions in buildings constructed from more permanent materials.

The more general term 'informal settlement' is used to encompass residential areas which may have dubious land tenure, for example, when settlers buy plots of land from landowners who have subdivided and sold their property without legal permission. Informal settlements are also those where housing regulations have not been followed and the houses have been built by the occupants (hence the terms 'self-built housing' or 'self-help housing') or informally employed builders. Such settlements usually lack services early in their history due to their informal status, but this may change over time as discussed below. Due to its broad scope, the term informal settlement is often used in official documents and will be used in this article unless land tenure is the focus of the discussion. Local terms for such forms of housing are also found throughout the world (see [Table 1](#)).

Distribution and Growth of Informal Settlements

Informal settlements are most associated with the cities of the Global South, reflecting the mismatch between

Table 1 Alternative names for squatter settlements

Name	
Squatter settlement	Housing built on illegally occupied land.
Shanty town/shanty	Area of poor-quality housing, built from materials such as cardboard and corrugated iron. A shanty is an individual dwelling made of such materials.
Informal settlement	Area of housing which does not meet legal requirements of tenure, housing quality, and land use.
Self-help housing	Housing which has been built by the residents themselves.
Bustee/Favela/Pueblo joven/ Bidonville	Local names in India/Brazil/Peru/Algeria.
Spontaneous settlement	Settlement which has developed without formal planning. May be due to a land invasion, or gradual growth over time.

urban population growth and affordable housing provision. They have, however, been and continue to be found in the Global North. For example, in the United States during the Great Depression of the 1930s, thousands of people who had lost their homes or were forced to migrate for work lived in what became known as 'Hoovervilles' after President Herbert Hoover. As in parts of the Global South today, shelters were built from available scrap material and located in areas of wasteland, railway yards, streets, and parks, including New York's Central Park. In today's Global North, such settlements persist, for example, those built by migrant agricultural workers in California, or asylum seekers in Paris. With the collapse of the Soviet Union, informal settlements have become increasingly common in parts of the independent republics. Regardless of where or when they are built, their presence reflects the exclusion of residents from better-quality housing produced by either the public or private sectors.

While informal settlements can be found throughout cities, the common image is of large-scale settlements being set up in the urban periphery. This has resulted in models of the 'Third World city', with a decreasing socioeconomic gradient from the city center to the periphery, so that the rich live centrally and the poor on the margins. This is contrasted with models of 'industrial cities' where low-income populations reside in the city center and the rich in spacious accommodation in the suburbs, as in Burgess' concentric zone model, for example. Such models fail to recognize the heterogeneous nature of urban space; higher-income households are able to afford to live in more desirable areas, thus leaving more polluted or dangerous locations to the poorer populations. Poorly drained locations or steep slopes are

Table 2 Slums by Global Region, 2001

	Urban population (%)	Slum population as % of urban
Northern Africa	52	28.2
Sub-Saharan Africa	34.6	71.9
Latin America and Caribbean	75.8	31.9
Eastern Asia	39.1	36.4
Eastern Asia (excluding China)	77.1	25.4
South-Central Asia	30	58
South-Eastern Asia	38.3	28
Western Asia	64.9	33.1
Oceania (excluding New Zealand and Australia)	26.7	24.1
World	47.7	31.6

Source: Adapted from UN-Habitat (2003). *Slums of the World: The Face of Urban Poverty in the New Millennium?* Nairobi: UN-Habitat, (Table 3, p. 27).

more likely to be occupied by the poor as these locations present environmental hazards, while richer households will also seek to locate far from polluting industries. For example, the population most affected by the release of deadly poisonous gas from the Union Carbide chemical plant in Bhopal, India, in 1984 were the low-income residents of informal settlements nearby.

Models of Third World and industrial cities also fail to consider the dynamism of urban structures. Gentrification has occurred in the center of many cities, particularly in the Global North, leading to shifts in demographic profiles, while in parts of the Global South, upper-class households are moving to gated communities, often toward the city edge. Additionally, in many cities, long-established informal settlements have been consolidated and upgraded, thus becoming formally recognized areas occupied by middle-class households. This process is discussed in more detail below.

Globally, about one-third of the population lived in slums in 2001, but the importance of informal settlements and slum housing varies greatly (see **Table 2**). Collecting accurate figures for such housing is difficult, given both definitional variations and the fluid and transitory nature of some of the settlements and their populations. The United Nations Human Settlements Programme (UN-Habitat) talks generally about 'slums' to refer to poor-quality housing. The importance of such housing for urban populations does not reflect the level of urbanization in a region. Sub-Saharan Africa had an urban population of just over one-third in 2001, but of these, nearly three-quarters lived in what were classified as slums. In contrast, Southeastern Asia had a slightly higher urban population, but less than a third lived in slums. Such differences reflect, among other things, different urban growth rates, levels of economic development, land tenure systems, land availability, and political factors.

Within regions, there may also be very different patterns. For example, peripheral squatter settlements have been much more important in Mexico and Peru (most notably in Mexico City and Lima) than in Chile (after 1973) or Colombia. This reflects not only the availability of land for such settlements but also the way in which squatter settlements were viewed politically. As the section below demonstrates, government attitudes to informal settlements have varied greatly from wholesale clearance to tacit support as a form of patronage. In Mexico and Peru, in the past, politicians have turned a blind eye to informal settlements in return for electoral support.

Approaches to Informal Settlements

When examining approaches to informal settlements, it is vital to recognize the diversity of opinion from a range of actors. The main groups involved are the informal settlement residents themselves, other urban residents, and government. International agencies, such as the World Bank and the United Nations, also have changed their policies toward low-income housing provision over time.

Clearance

In the 1950s and 1960s when many Latin American and Asian cities were growing rapidly, informal settlements were often considered by governments and other urban residents (particularly the middle classes) as great problems. Such perspectives were not only because these settlements were viewed as being unhealthy for the inhabitants, but also because they were seen as a threat to the city's population as a whole. The living conditions were unhygienic because of overcrowding and a lack of water and sanitation, resulting in high levels of disease. In addition, the settlements were viewed by outsiders as being havens for criminals and gangs.

Because of these perspectives, many municipal governments cleared informal settlements, sometimes by sending in bulldozers with little warning, and in other cases, developing relocation schemes involving housing that was viewed by planners as more suitable. This alternative housing was often in the form of high-rise flats, located far from the original settlement, as in the case of the 'superblocks' of Caracas and the low-income housing constructed as part of the Brazilian government's development of Brasília as the new national capital in the 1950s. Similar clearance and relocation schemes were adopted in Asia, with Singapore and Hong Kong being the most notable examples.

While the housing provided through relocation schemes was of better quality and had basic urban services, such schemes often failed in the aim of providing

housing for the poorest urban dwellers, although the Singapore and Hong Kong examples were certainly much more successful than their Latin American counterparts. These failures were largely due to planners' limited understanding of the lives of the poor residents. The new flats had low rents relative to other formal housing in the city, but even these low rents were too high for most of the urban poor and the need for regular payments did not fit with the often sporadic and precarious earning capacity of workers largely employed in the informal sector. Additional costs for water and electricity also made the housing costs too high. The result was that many relocated families sold or sublet their flats to middle-class households who could afford to live there and returned to informal settlement living.

The location of the new flats was also a severe problem. Residents in informal settlements were often able to operate businesses from their homes, or chose to live near their place of work. Being uprooted from economic and social networks to be relocated elsewhere often destroyed these economic opportunities just at the time when the cost of living was going up because of rent and service costs. Families might also have had a small amount of space to keep animals or grow crops in the informal settlement; activities which were very difficult to continue in the apartment blocks.

The general failure of such clearance and relocation schemes, combined with increasing pressures on state finances, meant that they became much less common in the 1970s and beyond. This was also because of changing attitudes toward informal settlements and their residents by governments and international agencies. Clearance of informal settlements still takes place, not least as part of urban regeneration projects associated with gentrification, the rise of middle-class consumer culture, and the demand for large shopping malls, and high-profile international events such as the Olympics or a regional heads of state meeting.

Upgrading and Self-Help

An ignorance of the lives of people in the informal settlements lay behind many of the problems identified with state housing schemes. In the late 1960s and early 1970s, there was some change in perspectives on this sector of the urban population due to research. The two key individuals involved were William Mangin, an anthropologist, and John Turner, an urban planner. They both conducted research in the squatter settlements of Lima, Peru. Rather than being havens for criminals, the only option for the urban poor and home to the large migrant population that had flocked to the city to seek a better life, Mangin and Turner's research concluded that residents of the *pueblos jóvenes* or *barriadas*, as they were termed, had often lived in the city for many years, were

hardworking, and were seeking to improve their housing conditions as a form of investment for their children.

Turner developed the concept of 'bridgeheaders' and 'consolidators' as a way of categorizing poor urban dwellers in Lima. This idea was based on the recognition that the urban poor, including migrants, made rational decisions about where and how to live. On first arriving in the city, the key issue for migrants was employment, so they tended to live in rental accommodation in overcrowded tenements in the city center. These were the 'bridgeheaders'. After a few years when they had become more established in the city, Turner argued that the priority shifted to housing and investment for the future. Given the cost of land and housing in the city center, squatting on land on the urban margins and constructing a house as and when you could afford it was a rational decision. Over time, housing quality would improve when families had funds available and communities would work together to access services from the government. These people were termed 'consolidators' and the process of improvement over time was called 'upgrading'. As a result of this research, the peripheral informal settlements were often viewed as 'slums of hope' in contrast to the 'slums of despair' in the city center.

The research of Mangin and Turner resonated with what was being seen elsewhere and encouraged many governments to view informal settlements in a more positive light. Here was a solution to housing problems for the poor which did not involve high levels of government spending and allowed the urban poor to build the housing appropriate to their lifestyles and income levels. This approach was also taken up by international agencies such as the World Bank.

Rather than implementing state house building and settlement clearance, governments and international agencies increasingly sought to provide support to the self-build process. In some cases, this involved the regularization of land tenure so that householders were given the legal title to their land and therefore the security to improve their houses without fear of eviction. In many cases, however, households improved their homes without the official paperwork as they felt secure enough due to political support or other indications of official approval, such as service provision. Some governments also developed schemes to provide subsidized building materials for home improvements. In most cities, major infrastructure services were provided by the state as in the case of the high-profile Orangi Pilot Project in Karachi, Pakistan.

Having supposedly learned from earlier mistakes, some governments began to develop site-and-services schemes. The World Bank also invested millions of dollars in such schemes in over 50 countries during the period 1972–1990. Households were provided (usually at a low cost) with a plot of land which had connections to

water, sanitation, and electricity services. They were then able to build the kind of house they wanted when they had available funds. The premise of the schemes was that it was easier and cheaper to put the services in before the development of the settlement and by giving households the freedom to build the house they wanted, the government was not trying to house everyone in uniform residences. While such schemes received large amounts of funding, issues around cost and location proved highly problematic once again. Households with low or irregular incomes were unable to participate, and this particularly hit women-headed households who tended to have low incomes. As with the earlier relocation schemes, many site-and-service plots were sold or sublet to less poor families.

Self-help housing of this sort often failed to house the very poorest. Its adoption by governments also received criticisms as it was viewed as a way in which governments could save money and ignore their responsibilities to the poorest people in the city. The fact that the ideas and policies were largely based on the Latin American experience, particularly that of Lima, also needs to be considered. Lima had vast areas of arid land surrounding the city where squatters could move to build their homes; not all cities have this space available. Additionally, compared to many residents in cities in sub-Saharan Africa and South Asia, Latin American poor urban dwellers often had more economic opportunities and therefore chances to invest in their own homes. For many migrants to cities in sub-Saharan Africa, the lack of housing in the city centers means that the marginal informal settlements are the only options; again contrasting with the bridgeheader–consolidator model developed in the Lima case.

Processes of upgrading and self-help have led to shifts in the urban structure of many cities. What were previously areas of poor-quality housing occupied by very poor families have become middle-class districts with all urban services. However, this is not always correlated with the improved lives of the original residents. As services are introduced and settlements are formally recognized, the cost of living there increases, so meaning that original residents may be forced to move elsewhere. **Figure 1** shows one of the main streets in Colonia Aurora on the northwestern edge of Oaxaca City, Southern Mexico. This settlement started in the 1970s as an informal subdivision and was occupied by residents from elsewhere in the city and also new migrants from the rural areas. By 1990, some residents had been able to build brick dwellers and there was electricity supply, although not all houses were connected. There were no connections to the water or sanitation system. By 2002, water and sewerage systems had been installed, the road was paved, and housing quality had improved greatly (see **Figure 2**). Some of the families who had lived there in



Figure 1 Street in Colonia Aurora, Oaxaca City, Mexico, 1990.



Figure 2 Street in Colonia Aurora, Oaxaca City, Mexico, 2002.

1990 were still residents, but others had been unable to afford the increased cost of living and had moved away. Others, seeing the chance for income generation, rented out their homes or sold them. Thus, upgrading may not lead to improved housing for all.

The State as Enabler or Facilitator

Since the early 1980s, government housing policy in the Global South and approaches adopted by international

agencies have increasingly moved toward seeing government as an enabler or facilitator, rather than as a provider of housing. Within this model, housing is provided by the residents themselves, carrying on with the self-build idea, and services and support are provided by nongovernmental organizations (NGOs) or the private sector. These policies clearly resonate with the broader neoliberal agenda which has become so prevalent.

Rather than providing housing, the state will now provide an environment that will facilitate the development of housing markets. It is argued that this is more efficient and provides greater choice for all urban residents. One of the key enabling processes relates to land titles. It is argued by researchers such as Hernando de Soto that housing provision and economic development in the cities of the Global South are limited by the lack of legal tenure and the amount of time it takes for tenure legalization due to bureaucratic procedures. Providing home owners in informal settlements with legal titles to their land and homes will, it is argued, give them the security to improve their houses, and will also enable them to sell their property, should they wish to. In addition, legal home ownership provides collateral to borrow money for other investments, such as home improvements and business expansion.

Receiving legal land title is popular with residents, but it does not necessarily have the expected outcomes. As outlined earlier, while residents of informal settlements may not have formal land titles, they have often felt secure enough to improve their property, and an informal land and housing market has developed in most cities. Legal titles and tenure regularization may also push out the poorest and most vulnerable households from informal settlements as it is associated with increased costs.

Housing finance has become an increasingly important issue, especially as squatting as a route to access land has become scarcer around urban areas. Within an enabling framework, governments now attempt to promote private sector or NGO financing activities, often based on a micro-finance model. This has achieved success in some cases, but again there are limits for households with very low or irregular incomes. Using housing as collateral for formal bank loans has also been effective for some, but this varies greatly; some banks still view low-income applicants with suspicion, even if they do have formal title to their property.

As infrastructure services have been increasingly privatized in cities of the Global South, issues around cost recovery have become more pressing. Private sector water, sanitation, and electricity companies have been encouraged to provide services to low-income residents, including those in informal settlements, by being allowed to charge for these services. It is argued that this is because governments lack the funding and capacity to provide such services themselves. Given the importance

of such basic services, many governments have implemented policies to ensure that the very poorest are not excluded. Such policies include fixed tariffs and subsidized services. In the case of South Africa, the very poorest urban households are provided with a set amount of free water per month. Consumption above this level must be paid for.

By involving informal settlement dwellers in both the financing and the management of upgrading activities, governments, UN-Habitat, and many NGOs are echoing Mangin and Turner's ideas from the 1960s regarding the agency and capacity of such people. Such policies can lead to great improvements in housing quality and the concomitant betterment of health and environmental conditions. However, it is vital that the poorest households are not excluded from such processes and that the participation of residents is meaningful, rather than purely for presentational purposes.

Conclusions

Squatter settlements or informal settlements have been a very important part of many cities in the Global South. Shifting government and international agency attitudes toward them since the 1960s have reflected a growing recognition of the capacity of the urban poor to adapt and sometimes to thrive in very difficult circumstances. As the world's urban population grows, there will be increasing pressure on both land and housing. The shift toward market mechanisms for both land and housing delivery has been beneficial in some cases, but without forms of support and protection, millions of poor households will be excluded and left to fend for themselves in the diminishing number of available spaces in the world's cities.

See also: Housing; Neoliberalism and Development; Postcolonial Cities; Poverty; Third World Cities.

Further Reading

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Relevant Websites

- <http://www.bshf.org>
Building and Social Housing Foundation. Independent research organization which focuses on the development of people-centered and environmentally sustainable housing policy.
- <http://www.citiesalliance.org>
Cities Alliance. A global coalition seeking to eradicate slums and urban poverty.
- <http://www.sdinet.org>
Slum/Shack Dwellers International. Network of urban poor from the Global South who share experiences and approaches to housing improvement.
- <http://www.unhabitat.org>
United Nations Habitat. United Nations agency responsible for human settlements.
- <http://www.makingcitieswork.org>
USAID Urban Policy.