

URBAN LAND MANAGEMENT STUDY

THE INFORMAL SECTOR

Assessment and Review of Existing Conditions

by
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This report has been prepared for NESPAK, consultants to the Karachi Metropolitan Corporation for its Urban Land Management Study. The information contained in this document has been collected from the following sources:

1. Interviews with residents, dallals, estate agents and councillors of the following settlements:
 - Baldia town: Gujrat Colony, Kumarwara, Haji Qasim Colony, Mohajir Colony, Delhi Colony and Sectors 8 and 9.
 - Illegal subdivisions of Peoples Colony, Lalukhet pockets, Ittehad town, Orangi Sectors 10 and 11-1/2, Naseerabad, Usmania Mohajir Colony, Shah Bhitai Colony, Khawaja Ajmeer Nagri, Muslimabad, Masoom Colony, Ghidar colony, Iqbal Nagar, Islamia Colony and Karnal Colony.
 - Regularized settlements of Quaidabad, Lyari and Khadda.
 - Planned areas in Liaquatabad Sector C-1, New Karachi Sector A-4 and Sector A-5 and Qasba Metroville.

These interviews and meetings were carried out between 11 - 26 January 1990.

2. Earlier reports prepared by the author; information available with the DPP; reports of Baldia Soak-Pit Project and of the CSS; and thesis on katchi abadis prepared by the final students of architecture at the Dawood College of Engineering & Technology, Karachi.
3. Reports and studies prepared by J. Van der Linden et al, of the Free University, Amsterdam.

ABBREVIATIONS

ADB	:	Asian Development Bank
AERC	:	Applied Economic Research Centre at the University of Karachi
BUSTI	:	Basic Urban Services for Katchi Abadis
CBR	:	Central Board of Revenue
CSS	:	Catholic Social Services
DC	:	Deputy Commissioner
GOS	:	Government of Sindh
ISD	:	Illegal Sub-divisions
KAIRP	:	Katchi Abadi Improvement and Regulatization Programme
KDA	:	Karachi Development Authority
KESC	:	Karachi Electric Supply Corporation
KIT	:	Karachi Improvement Trust
KMC	:	Karachi Municipal Corporation
MLO	:	Martial Law Order
NESPAK	:	National Engineering Services Pakistan
NUF	:	Non-Utilization Fee
OPP	:	Orangi Pilot Project
RCC	:	Reinforced Concrete Construction
RCD	:	Regional Cooperation for Development between Pakistan, Iran and Turkey
SITE	:	Sindh Industrial Trading Estate

LOCAL TERMS

adda	:	den. In this case a tea shop where people meet
banse	:	bamboo
basti	:	settlement
batha	:	slang for 'illegal tax'
bazar	:	market
bisi committee	:	a lottery among friends or neighbours
chai-khana:		tea shop
chai-pani :		tea water. This term means informal payments to facilitate work
chatai	:	mat
dallal	:	middleman
dera	:	camp. Here it means temporary bachelor quarters where new migrants, usually Pathans, live in the initial stages of their life in Karachi
gowcher	:	cow-grazing
izzat	:	respectability
katcha	:	unbaked: here it means a house of reed, mat, bamboo or plastic sheets
katchi abadi	:	squatter settlements: now term used for those settlements which have been marked for regularization
mohallah	:	neighbourhood
mukhtar- kar	:	revenue official incharge of sub-district
nullah	:	natural gulley
pucca	:	fully baked. In this sense it means a house with permanent roofing

pugree : seed money paid in advance
qabza : possession
semi-pucca: here it means a house of block masonry, with GI
sheet roof and inadequate finishes
shahgird : apprentice
thalla : a building component manufacturing yard
thallawala: the owner of a thalla
thana : police station

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I. INTRODUCTION

1. DEFINITION OF INFORMAL:

Informal in the context of this paper means all activity, or part of it, that is related to land development, or effects land use and land values, and which, or part of which, does not have de-jure recognition.

2. INFORMAL SECTOR ACTIVITIES:

2.1 Land colonization:

- a) Unorganized invasions of private and public land: this form of development no longer takes place.
- b) Organized invasion of state land: this is of recent origin and though it has been attempted many times there are only 2 examples of its having succeeded (1).
- c) Illegal subdivisions on state land: this is the singular most extensive informal sector activity.
- d) Informal subdivisions of free-hold agricultural land.
- e) Encroachment on land developed by the KDA as part of its residential and commercial schemes.
- f) Encroachments on public parks, service roads and other open spaces
 - in new KDA developed schemes
 - in the city centre

- g) Informal property transactions in settlements created by the government for shiftees from city centre encroachments.

2.2 House building and property development:

This includes both informal credit and technical assistance and takes place

- a) in the city centre on regularized land: examples, Lyari and Khudda
- b) in earlier shiftee settlements and ISDs that developed around them and which are now declared katchi abadis: examples Angara Goth and Haji Camp
- c) in later katchi abadis: examples, parts of Chawki-wara and the Orangi settlements
- d) in new squatter settlements : examples, Ittehad Town and Yakoobabad.

2.3 Acquisition of services:

- a) In initial stages this is done by the dallal or subdivider with assistance from political figures through lobbying with the relevant government organizations.
- b) In the final stage this is done by the councillors or through the Katchi Abadi Improvement and Regularization Programme (KAIRP).

3. THE DEVELOPMENT OF THE INFORMAL SECTOR IN KARACHI:

3.1 Refugee settlements:

As a result of partition, 600,000 refugees moved into Karachi between 1947 and 1951. Many of them occupied public buildings such as schools, markets and hospitals or squatted on the pavements. Others occupied the open spaces in the city and these in time became the inner city katchi abadis. Since these settlements came about through unorganized invasions they were unplanned; had high densities; no schools, commercial centres or open spaces; and their road network consisted of narrow lanes with no vehicular access.

3.2 Early shiftee settlements:

In early 1948, the government tried to move the

refugees out of the public building onto whatever open land was still available in the city, thus creating more unorganized invasion settlements. In the early fifties, it organized the shifting of refugees from the pavements and certain city centre settlements to new, shiftee settlements on the city fringe. These settlements were not too far from the city centre and so were acceptable to the refugees as residential areas. The largest of these settlements was Liaquatabad. The shiftees were not given any papers nor were they required to make payment for the land they occupied. In the initial stages, there was no plan to the settlements and they developed very much in the same manner as the inner city unorganized invasion bastis. Later the KMC began demarkating plots on a grid iron and allocating numbers to them. However, no space for commercial areas or public amenities was allocated.

3.3 Early illegal subdivisions:

As the early shiftee settlements started to consolidate themselves, the demand for plots in them increased. To cater to this demand, enterprising government servants, belonging to the KIT, KMC, CBR and the Mukhtarkar's office, came to an informal understanding with the local community leaders or musclemen or both. Under this agreement the leader or musclemen could grab, subdivide and sell state land around these settlements with the protection of the various government departments involved in development. The profits of the transaction was shared between the various actors in this drama. With this began the system of ISDs out of which the vast majority of katchi abadis in Karachi have been created. Examples of these early ISDs are the Lalukhet pockets and Ghausia Colony.

3.4 The Greater Karachi Resettlement Plan:

In 1958, the Government of Pakistan appointed Doxiadis Associates as consultants for what came to be known as the Greater Karachi Resettlement Plan. As phase 1 of the plan, it was decided to create new townships, complete with houses, 15 to 20 miles outside Karachi in Korangi and New Karachi. In the vicinity of these townships large industrial areas were also planned and incentives provided to the industrialists to develop these areas. Clearance of the inner city katchi abadis and shifting of the residents to the new sites was an integral part of the plan. It was felt that the residents of the new townships would be provided jobs in the proposed industrial estates and these would become independent satellite towns. The plan was only partially implemented before it was shelved in 1964.

The reasons for its failure were:

- a) The industrial areas did not develop fast enough to generate adequate employment. As a result the shiftees had to journey to the city centre to work. This was a drain on their resources as they were forced to spend a large part of their incomes on transport (2).
- b) Much of the population was forced to go back and squat in other areas or in the new ISD that were created nearer the city to accommodate them (3). They sold their newly acquired homes in the townships to speculators.
- c) Schools, dispensaries and markets were constructed as part of the townships. These, especially the markets, were supposed to subsidize the construction and maintenance costs of the scheme. However, they were not occupied and to this day remain empty. Instead, through encroachments, new markets developed along the main arteries, and schools and dispensaries were opened as commercial enterprises in the houses.

3.4.1 The repercussions of the plan:

Arteries and transport systems were developed to link Korangi and New Karachi with the city centre and the port. At about the same time, nearer to the city in the West, industrial activity expanded in a big way in the SITE area and a demand for labour was created. Migrants from the North along with residents of the bulldozed inner city slums moved in to fill this demand. Their natural place of residence was on the arteries linking Karachi to the North Karachi township. Thus ISDs on state land were created on these new link roads in the proximity of SITE and the city, and they have expanded since. Punjabi Para in Golimar and Wahid Colony in Nazimabad are examples of such ISDs. In the East, on the Korangi Road, ISDs were also created so as to be nearer the city. However, since they were far away from the new job market, they were on a much smaller scale and have not expanded over time.

3.5 Later shiftee settlements and related ISDs:

Between 1962 and 1966 the Government of Pakistan created three new shiftee townships. These were Baldia, Orangi and Qasba. These townships were properly planned and were all in the proximity of SITE with road links to the city and the port. Services, with the exception of water through bowzers, was however not provided.

Around these townships ISDs developed very rapidly and are still growing. The earlier ones were located near the nullahs so as to facilitate drainage and sewerage disposal. These ISDs account for over 50 percent of the total katchi abadi housing stock in Karachi. Examples of such ISDs are Ittehad town, the Orangi township katchi abadis and Iqbal Nagar in the Qasba area.

3.6 New Karachi katchi abadis:

With the development of a job market in Godhra Camp and the New Karachi Industrial Area in the 70s, there has been a major growth of ISDs in New Karachi and Federal 'B' Area. Examples of such settlements are Shah Bhitai Colony and Bata Colony.

4. THE CONDITIONS OF INFORMAL SETTLEMENTS TODAY:

4.1 Stagnating settlements:

These settlements belong to three categories:

a) Badly planned settlement without proper access:

These settlements are mostly near the city centre and were created through unorganized invasions in the early 50's. The absence of an adequate access, small plot sizes, absence of open spaces, and extremely narrow lanes create an environment in which expansion or improvement means higher densities or higher buildings, both of which can only lead to worse environmental conditions. Most of the old residents who had regular jobs have moved out of here to fringe area ISDs. Those who still live here are ones who have no fixed jobs, very badly paid ones, or those who work as vendors in the city markets and/or nearby localities. In short, all those who cannot afford to be far away from their place of work. Examples of such settlements are Usmania Mohajir Colony and Gule Rana Colony.

b) Settlements on land with a potential for formal development:

Settlements on land which is in or near the city centre and has the potential for being developed by the formal sector have also stagnated. Many such settlements have not been regularized and some have already become part of redevelopment projects. Due to the likelihood of their being demolished, housing and service conditions in them do not improve. The original owners hold on to their houses in hope of being compensated. Some move out to fringe area ISDs leaving a relation behind or

let them out to people they know and can trust. Examples of such settlements are the Lines Area bastis and Jamhuria Colony near the old Karachi Race Course.

c) Settlements on ecological dangerous land:

There are a large number of settlements along nullah beds which are prone to flooding. There are also settlements on hillsides which are effected by land slides and soil erosion during the rains. These settlements also do not develop. They house seasonal labour; new migrants before they can get a proper job and a plot in an ISD; communities with a culture of poverty and social outcasts.

4.2 Early shiftee settlements and related ISDs:

Early shiftee settlements of the 1950's and their related ISDs have now consolidated themselves. Almost all of them have acquired paved streets, water, sewerage, electricity and many of them have gas connections. Solid waste is lifted from the streets and dumped on the main arteries or access roads so that the mohallas are relatively clean. Most houses are pucca and those nearer the main arteries are three and even four storey affairs. No empty plots are available in these settlements. Settlements along the main arteries have become markets or house small industrial activity such as light engineering works, looms, garment industry and their related storage, banking and transport needs. As such, they have become job generating centres and house small businessmen, artisans, entrepreneurs, skilled labour and a small percentage of white collar workers. Although it is difficult to assess what percentage of the local population itself works in these areas, the general consensus of the residents is that the figure is well over 60 percent. In addition, a small number of people from the newer ISDs come and work here. These settlements have their own food markets and also cater to the needs of other parts of the city. Liaquatabad and its neighbouring katchi abadis for instance are one of the main centres in the city for steel fabrication and embroidery work and the informal settlements around Godhra Camp are the centre for the garment industry. As one moves away from the main arteries and access roads, physical and social conditions deteriorate. The most visible sign of social deterioration is the increase in the number of illegal electric connections. All these settlements have been marked for regularization.

4.3 Later shiftee settlements and related ISDs (1962 to 1966):

The residents of the later shiftee settlements and their related ISDs still, by and large, live in single storey semi-pucca homes. Most lanes are still unpaved, sewerage flows in open drains and most electric connections are illegal or rented from neighbours. Gas connections are few and far between. Most residents of the ISDs have migrated from other parts of Pakistan or have moved from inner city settlements so as to become owners of a plot or escape from paying rent. The majority of residents work in SITE, the port, and in the earlier shiftee settlements or the city centre. An increasing number, especially the economically and socially handicapped, are getting jobs in the markets that are cropping up to serve the local population. A demand for skilled labour is also developing in the small scale industrial and related activity that is in the process of being established in the newer ISDs such as in Pakistan Bazar in Orangi Sector 11-1/2. Age of the area in the settlements determines its physical condition. Thus, many older areas in the ISDs are more developed than the neighbouring KDA planned areas. Most of these settlements have been marked for regularization.

4.4 New illegal subdivision settlements:

The new ISDs are inhabited almost entirely by people who have moved out of inner city slums, stagnating settlements and older ISDs where room for expansion of their families is not available. Most of these residents have come to the ISDs in search of a better physical environment and have fixed jobs in the job markets of West Karachi. Although many areas of these settlements have acquired piped water, supply by bowzers is not uncommon. Electric connections are rare, except in the older areas. In most cases, electricity is purchased from people who operate diesel generators for commercial purposes. Waste water flows in unpaved channels in unpaved lanes and gas connections are non-existent. A few affluent houses build soak pits. It is estimated that 20,000 to 25,000 plots are added to these ISDs each year (4).

4.5 Encroachments on land developed by the KDA:

Large parts of a number of KDA schemes, such as North Karachi Sectors 4 and 5, are still lying vacant due to an absence of adequate water supply, electricity and security. Wherever such schemes are near job-generating areas, parts of them are encroached upon. By coming to

an understanding with the KDA staff and the police these encroachers are able to build semi-pucca houses. With the passage of time, they find security in numbers. Qasba Metroville is an example of such land colonization. Most of its residents work at SITE at a distance of 3 kilometers from their homes.

4.6 Settlements on planned open spaces: an on-going forces:

In places near job markets or transport terminals that cater to new migrants or the socially handicapped, public amenities are encroached upon and very quickly become full fledged settlements. Most of such settlements develop on the space between the main arteries and the service roads, or on the service roads themselves. The local police station, the councillor and sometimes the residents of the locality offer protection to the encroachers against payments in cash or kind. Most trucking activity and its services sector; the garbage sorting and recycling activity; and the mat and rope making activity are carried on in settlements of this nature. The services sector to the Mauripur Road trucking station and the newer portions of Shah Bhitai Colony in North Karachi are examples of such settlements.

4.7 Encroachments on pavements and roads in the city centre:

Such encroachments are carried out by hawkers and push-carts; bus companies for washing and servicing their vehicles; seasonal labour and small workshops. Again the encroachers enter into an agreement with the police, the local administration and the house owners in front of whose homes they encroach. Most of such encroachments are in the old town quarter, Lyari and Khadda.

5. FACTORS THAT DETERMINE LAND AND PROPERTY VALUES:

Factors that determine land and property values in order of importance are:

a) Nearness / transport to the job market:

This is the most important factor in determining not only the value of land but also the area where abadis can develop.

b) Security:

Physical security comes first. Men should be able to leave their families and go to work without fear of them being harmed in their absence. In today's anarchic conditions great importance is attached to street lighting or the possibility of acquiring it, especially on access roads. The possibility of tenure security in the future is also important. For that to happen, the residents feel that the layout of the locality must be as per KDA's standards and the settlement must be on state land.

c) Water:

The settlement must be adjacent to a settlement which has piped water supply. This is important for two reasons. First, in the initial stages water can be purchased from the adjacent settlement at cheap rates by employing donkey-carts. Second, when the new community is organized it can lobby to have the water supply system of the neighbouring settlement extended to its area with a minimum of expense.

d) Environmental conditions:

These are important, especially for the migrant from the unorganized invasion settlements in the city centre. New ISDs having small plots, narrow lanes and no open spaces do not sell easily. Similarly, areas effected by industrial pollution, like Islam Nagar and Islamia Colony, which are effected by the Javedan Cement Factory, are less than half the price of similar settlements which are not effected by pollution.

e) Other factors:

The other factors that determine land and property values are, in order of importance, electricity, sewerage, paved streets and gas (5).

6. LOCATION OF JOB MARKETS FOR INFORMAL SECTOR RESIDENTS:

In order of importance, work generating areas for lower income groups are: the port; SITE; the fish harbour; informal industrial area and trucking activity at Sher Shah and on Mauripur Road; storage facilities and wholesale markets in the Old Town, Lyari and Khadda; Godhra Camp; the sub-markets in the old shiftee colonies and related ISDs, and the New Karachi

Industrial Area. These areas are linked by a good all weather road network to the West Karachi ISDs and the now regularized shiftee colonies. The Landhi and Korangi areas on the other hand do not generate surplus jobs and their road links with the informal settlements of West Karachi are poor and are usually disrupted during the rains.

7. ACTORS IN THE DRAMA:

7.1 The people:

a) The new migrant:

Comes from the NWFP and the Punjab. Recently migration from Sindh has also commenced but is still small. An estimated 200,000 arrive every year (6). They usually stay with friends or relatives till they find a job after which they call for their families. The general view of **dallals**, property dealers and communities is that ethnic strife in Karachi has reduced the number of migrants.

b) The irregularly employed:

These groups have a culture of poverty and are seldom interested in improving their lot. Their lack of skills forces them to work as day wage labour. For this, nearness to the city centre, wholesale markets, trucking stations and other communication terminals, to the fish market or to rag picking activity is important.

c) The permanently employed:

These constitute skilled labour, the industrial proletariat and lower level white collar workers. For them an improved physical and social environment is important even if it is far from their place of work provided adequate and cheap transport is available.

d) The small businessman and the trader:

The ideal place for him to function from is the new ISD where competition is not too stiff.

e) The manufacturer and wholesaler:

Usually moves to **abadis** that are becoming sub-markets and are in the process of consolidating themselves,

provided that they are easily accessible from the port, other industrial areas and communication terminals. He is able to find cheaper premises and labour for his work in these settlements.

7.2 The claimant:

The person, family, clan or tribe which is in possession of the area which is to be developed. Usually in Karachi, Baluch or Sindhi tribes have leased out land from the government on an yearly basis for the last eighty years. This system of leasing land for grazing and agricultural purposes was discontinued during the 70's but the tribes have not given up possession of or claim to the land they used to lease. In a comparatively smaller number of cases land also belongs to individuals, or is govt or grazing land attached to old villages on the city's outskirts.

7.3 The dallal:

The dallal is the middleman between the claimant and the people. He arranges for the protection required from the relevant government officials for occupying, subdividing and selling the land and for providing it with necessary services later.

7.4 The government official:

These officials usually operate through touts and belong to the KMC, CBR, KDA of the D.C.'s office. The police is represented by the local thana.

7.5 The councillor:

Since 1979, when the first local bodies election was held, the councillor has been playing an increasingly important role in the development of informal settlements. To secure his position in a future election he is interested in helping people to settle in his area (or what may become his area), in bringing services, regularization and in maintaining law and order. Many of these functions are not part of his official duties and are as such 'informal' in nature.

8. WHY AN INFORMAL SECTOR ?

The informal sector is a response to the failure of the Government of Pakistan to respond to the housing needs of lower income groups. This failure is because

government and formal sector developments are incompatible with the economics and sociology of the urban poor and constitute only a small fraction of their requirements.

II. INSTITUTIONAL MECHANISMS

1. LAND ACQUISITION: ISDs

1.1 Importance of ISDs:

Almost all katchi abadi development is being done through ISDs. This because

- a) the locations of these ISDs are accessible to the Karachi job markets
- b) the price of land in the initial stages of development is affordable by the urban employed poor
- c) the area is well planned with an environment that is comparable to that of planned areas
- d) water and transport is available
- e) security from eviction is guaranteed by the subdivider in the initial stages and by numbers later on
- f) the perception of the residents is that due to these **abadis** being planned as per KDA regulations, and by virtue of being on state land, the chances of their being regularized later on are very high.

1.2 Changes in institutional mechanisms over time:

1.2.1 Initial ISDs:

The ISDs that developed in the late fifties depended greatly on protection provided by state officials and political figures. This was because at that time the city administration and police were both powerful and respected and no development could take place without their active involvement. This determined their relationship with the **dallal**. In those days it was the government official who called the shots, identified the area to be developed and decided on how the **dallal** should proceed. In addition, he, and his colleagues took away the bulk of the earnings from these ventures. It was rare in the fifties to set aside plots for specula-

tion as no one visualized what these settlements would develop into in the future. Even after the settlement was established the police continued to harass the residents and they were forced to pay them protection either directly or through the dallal. Often they sought protection through local politicians when things became unbearable. In spite of the government officials and police involvement in the ISD and the protection of important political figures, many ISDs were bulldozed in that period. The claimants to the land seldom objected to these developments taking place as they did not realize the value of the land that was then in their possession.

1.2.2 The system institutionalizes itself:

By the late sixties, a system of development came into being that clearly defined relationships between the various actors. The dallal emerged as a powerful force as it was recognized that he was indispensable to the system. It was he who understood the market and had contacts with its clients. In addition, the bulldozing of the inner city settlements in the sixties and the influx of migrant labour to man Karachi's industry, transport and building sites, had created an immense demand for ISDs and the state found that it did not have the capacity to curb squatting. In addition, in the seventies the state also abandoned the bulldozing of katchi abadis in favour of regularization and improvement. All these developments weakened the government official's role. At the same time all the actors noticed that in the older ISDs land and property prices had increased and the more accessible areas had become commercial centres. The claimants decided that they too could benefit from this development and became one of the actors in the subdivision drama.

1.2.3 The system in the seventies and early eighties:

The development process of a number of ISDs that developed in the seventies and early eighties have been documented (7) and the picture that emerges is as follows:

- a) The main actor in the drama is the dallal and the most important part of his work consists in trying to identify people who might be needing land for housing in new ISDs and who are sufficiently poor to be willing to become pioneers in establishing a new katchi abadi. For this he has his contacts in other katchi abadis and at the deras where

migrant labour settles initially.

- b) After he has selected his clients, the **dallal** identifies a piece of land that can be developed and approaches the relevant government official for his 'blessings' and protection. The official after contacting other relevant departments okays the scheme and dictates his terms. These usually consist of a small sum out of the proceeds of the sale and a demand for holding onto about 10 percent of the choice plots for speculation purposes for him and his colleagues. As the scheme progresses, other departments will also have to be catered to and so the **dallal** normally worked on the premise that 30 percent of the best plots would have to be given away.
- c) After indentifying the land to be developed the **dallal** plans the scheme in his head and at the same time finds out who the claimant is. If he feels that negotiations can be successful with him, he contacts him. If not, he organises an invasion of the area by about fifty families. These families are promised land in the area free of charge and transport to the site is provided by the **dallal**. A scuffle takes place between the **dallal's** clients and musclemen and the claimants. The claimants, to strengthen their negotiating position, file a case in court against the encroachment whereas the **dallal** files an FIR with the local **thana** for violence committed against him. The police normally become the arbitrators in the dispute and a tripartite agreement between the three parties takes place spelling out the share of each party in the profits. With police protection gauranteed, the project then continues.
- d) The **dallal** already has a registered social welfare organization going. The new plot owners become its members. Through this organization he lobbies for services with the relevant government departments. Since officials of most of the relevant departments have plots in the area, and since development of the ISD will raise the price of land, they are willing to assist.
- e) The police in addition to getting a share of the sale proceeds also charge the residents a small sum whenever they put up a **pucca** compound wall, an RCC roof or a first floor.
- f) During the period of democracy, 1970-1977, the local PPP leaders gave considerable support to ISD development. This reduced the involvement of the government official in the colonization of land.

In addition, most of the **dallals** became members of the PPP and some emerged as the local ward chairmen of the party in their areas. After 1977, the government official tried to stage a come back. However, due to the involvement of military officers in land colonization for ISDs in the post 1977 era, he never really succeeded.

- g) For levelling the land and lanes the **dallal** uses machinery such as tractors and bulldozers. This he acquires through an informal agreement from the KDA or KMC staff which is working in the neighbourhood of his settlement.
- h) After selling a plot to his client the **dallal** insists that the plot is occupied and built upon immediately. If this does not happen he sells the plot to someone else and the money of the original buyer is forfeited. In this manner the **dallal** prevents speculation on land which can hinder the development of the ISD.

1.3 New directions:

Changes in relationships between the various actors in the land colonization drama through ISDs is taking place. Some of these changes are listed below.

- a) In the newer settlements the claimant and the **dallal** normally reach an agreement without involving the police. This is because the value of the land is now well understood by both parties and also because the police is no longer taken too seriously by the **dallal's** clients. Developing an ISD seems to have become a respectable affair. The **dallal** now pays the police directly and harassment of his clients is considerably less than say 5 years ago.
- b) Similarly, the number of plots set aside for state officials has also decreased and so has their interference in the schemes. Their interest today is to receive cash payments as part of the profits rather than land for speculative purposes. These changes reflect the growing anarchy in the city and the administrations impotence to control it.
- c) The claimant - **dallal** relationship has also undergone a change. The former now gets a much larger share of the sale proceeds than a few years back. In many cases the claimant has emerged as a rival to the **dallal** and has started to undertake development himself. By eliminating the **dallal** he can deliver plots at a lower price with larger

profits for himself. The new **dallal**-claimant relationship, or lack of it, also removes the necessity of initially invading the land to create the beginnings of a settlement.

- d) Ethnic strife in Karachi has led to the demand for ethnically homogeneous settlements. This has created a number of problems for the **dallals** and how they will overcome them remains to be seen.

2. LAND ACQUISITION: other systems

2.1 Encroachment on parts of KDA developed schemes:

KDA schemes that have been lying vacant for some time and are near to job markets are encroached upon. The actors in this drama and their respective roles are described below:

- a) The **dallal** whose **adda** or den is at a **chai khana** or tea shop in a nearby **katchi abadi**, informs the residents that he can arrange for settling people in the KDA developed areas. Word gets round not only in the **abadi** but also at the places where the **abadi** residents work. People contact him and once there are about 20 households he moves them in a selected area within a day.
- b) The relevant KDA official and inspector have already been contacted by the **dallal** and so has the local **thana**. The **dallal** collects his money, a one time lump sum payment, and settles the terms between the squatters and the officials. These terms usually consist of a down payment and a small affordable periodic payment.
- c) The **dallal** then increases the settlement by moving other families in and with the passage of time his rates and those of the officials increase until the settlement is large enough to look after itself.
- d) The residents are usually people who cannot afford land in ISDs. They do not think that their settlements will be regularized. However, they feel that they will be in a position to negotiate terms with the owners or with the KDA and as such may either get sufficient money to buy a plot in an ISD or be granted alternative land by the government.
- e) Houses in the settlements to begin with are of mat and reed construction. Once the number is sufficiently large to guarantee security, semi-pucca construction is undertaken.

2.2 Encroachments on public amenities:

The same process as for encroachments on KDA schemes takes place in this case. Most encroachments of this nature are on service roads and on spaces between them and the main arteries. In this case, however, the residents of regularized settlements of **katchi abadis** on the service roads have to agree to these encroachments. Their agreement is purchased by the encroachers, some times by a small monthly payment but more often by the women folk of the encroachers doing domestic work for them. Factory owners are also known to give protection and water to encroachers on public hand in front of their factories in exchange for cheaper labour. Councillors often help the encroachers in consolidating their hold on the land and in providing them with services so as to increase their voting strength. This help is often in the form of making other residents agree to the encroachment and to extending their service connections, especially water, to them. In addition, the councillor also talks to the police on behalf of the encroachers and often succeeds in lowering in not eliminating the police **batha**. In a similar way public land near trucking stations is always encroached upon by what is called 'low caste tribes'. These provide entertainment for the transporters through prostitution, alcohol and drugs. In exchange the transporters, and the services sector that serves them, protect the settlement. The police also has good relations with the encroachers who provide them with services at subsidized rates, if not free of charge. The transporters, given their importance in the economy of Karachi, are a major force in the local politics of the city and the police is normally in their pay or in the pay of their godfathers. Their nuisance value is also considerable and as such the city administration is anxious to keep on their right side. Thus, it is common for them, and the service sector that serves them, to occupy almost any vacant public land for their use. Houses in these encroachments are usually of **katcha** construction or of materials that can be easily dismantled and reused elsewhere.

2.3 Encroachment along river bed:

River beds, especially in densely populated areas are encroached upon by scavengers and rag pickers since these rivers carry sewerage with them and are the dumping ground of solid waste. Again, these encroachments are permitted by the residents of the settlements along the rivers who also provide the encroachers with water. Payment is some times made to the residents on

behalf of the encroachers by the contractors who purchase the recyclable waste from the scavengers. Houses in these encroachments are again of mats, reed and bamboo. When the river floods during the rains the residents move on to higher ground. A large number of garbage pickers are seasonal migrants to the city. They return to the Punjab for the wheat harvesting season. These settlements are found all along the Lyari river, especially in Old Golimar, Meva Shah and Sher Shah Colony.

3. HOUSE BUILDING AND PROPERTY DEVELOPMENT:

3.1 Abadies of the fifties and early sixties:

In these earlier settlements the residents when they moved in were near destitute people. In addition, loans for housing, formal or informal, and technical advice were not easily available. The culture of poverty still dominated the poorer sections of the population. As such most of the houses remained *chatai* and *banse* affairs for three to four years, or even more, after the plot was purchased. Shops and storage spaces for rent were also built of these materials in the initial stages and the rent they fetched helped in their being converted into semi-pucca or pucca buildings.

3.2 The post mid sixties settlements:

3.2.1 Houses for self use:

The post mid sixties settlements saw the institution of the *thallawala* take root. In every new *katchi abadi* he moved in and established his yard. Due to his presence, concrete blocks, reinforced concrete lintols and GI sheets for roofing along with advice on their use became available. In addition, materials can be purchased from him on credit and occasionally small cash credit is also available. Most *thallawalas* also act as contractors for the new houses or supply masons or other skilled labour required for building the house. To promote his business the *thallawala* also lets the new residents use water from his water tank for their domestic use. Due to the nature of their work *thallawalas* become highly respected members of the community. To recover their loans they never use muscle power but only social pressure. Due to their presence 95 percent houses in the new *abadis* start becoming semi-pucca affairs within a few months of the residents moving in. Till the late seventies, usually the *dallal* was responsible for getting the *thallawala* to move into the settlement. It was also not uncommon for the *dallal* to give the *thallawala* a plot as a loan for

establishing his manufacturing yard. This was done to improve the housing stock quickly and as such increase the price of vacant land. This no longer happens and **thallawalas** move into the new settlement themselves and purchase the plot on which they establish their yard.

3.2.2 Shops and flats:

In settlements where consolidation has, or is taking place, such as the Lalukhet pockets and Orangi Sector 11-1/2, certain areas have developed into commercial centres. Most settlements of this sort have become declared **katchi abadis** and as such entitled to lease rights. People on prize plots acquire a lease, get a loan from the HBFC, and with a small advance from parties interested in renting the shops, complete a two storey project. On a 120 square yards plot this means two shops on the ground floor with a small flat at the back and two flats on the first floor. Two more flats are added on the second floor, again with advances from persons interested in renting the apartments. These are usually semi-pucca affairs. Most persons who have put up such construction have planned for a building having a ground floor plus four storeys in the future.

3.2.3 Commercial centres:

In areas that are becoming sub-markets **bazars** are developing. These usually consist of shops of 120 square feet. The shops are sold on **pugree** before the project commences. This work is undertaken by a developer who promises the owner of the plot one or two free flats on the first floor. The **pugree** for the shops and for the flats for sale is taken by the developer and the nominal monthly rent that the new owners pay is collected by the owner of the plot. Most such developments are planned for five floors although right now few buildings of over three floors have been constructed. In many of these new sub-markets the regularization process has not yet begun and for all practical purposes this activity is illegal. Yet government banks and offices are known to have hired premises in these buildings.

3.3 Developments in the city centre:

In the city centre, especially in Lyari and Khadda, there is a great demand for storage facilities wherever there is access for vehicular traffic. The majority of residents here are poor fishermen. As in the case of commercial centres in the sub-markets, the site is developed by a contractor with storage space on the

ground floor and four floors of flats above. Except for the two flats for the owner, the rest of the flats are sold, along with the shops, on **pugree**. The owner then collects the nominal monthly rent. In certain areas in the old city there is considerable opposition by the residents against this practice as they see this as not only destroying the physical environment of their settlement, but also the social one because through this development outsiders move into their **mohallah**.

3.4 NGOs involved in housing or house improvements in **katchi abadis**:

3.4.1 The Orangi Pilot Project (OPP):

The OPP has a housing programme for the Orangi **katchi abadis**. The OPP's research on the "sociology, technology and economics" of housing in Orangi has shown that the key to improvement of housing is the upgrading of the local **thalla**, a better trained mason, and a more aware owner. Consequently, the OPP has assisted in upgrading production techniques and products of 14 **thallas**. This has been done by providing credit to the **thallas** for mechanization and taking the results of OPP's technical research to them. Consequently, these **thallas** now produce superior blocks, cheap precast concrete roofing systems and better detailed doors and windows. Foundation designs have been standardized and steel shutterings for them developed. In addition, a training programme for masons has been commenced and an extension effort for raising the awareness levels of the owners is underway. There is a great demand for the new products at the **thalla** and the other components of the OPP programme.

3.4.2 Catholic Social Services (CSS):

The CSS provides credit through a revolving fund to a number of **katchi abadi** residents. Loans of Rs 10,000 are given to plot owners irrespective of whether the plot is regularized or not. Recovery with a small interest is effective in 36 monthly instalments. The CSS has experimented with this system of a revolving fund for the past five years and as a result developed appropriate institutions for recovering the loan. Loans are now given only to an organization of creditors who collectively guarantee the repayment of the individual loans. Since this new system has developed, default has decreased to a small percentage. The CSS does not offer any technical assistance to its creditors. However, it is now in the process of developing links with the OPP so that **thallas** in the areas where it works can be upgraded, masons trained and awareness levels of its

clients raised. The CSS is working in Bhatai Colony, Korangi; Gharibabad, Orangi; Mianwali Colony, Pirabad; PIB Colony and Akhtar Abadi.

4. SERVICES:

4.1 At the earlier stages of the settlement:

4.1.1 Water and transport:

At the initial stages of its development the settlements main requirements were water and transport. Water was supplied to the settlement by KMC bowzers. The **dallal** arranged for this and the people paid for it through the **dallal**. Some of this money found its way into the **dallals** pocket and the rest went to the **dallal's** KMC contacts. Similarly, money was collected by the **dallal** to bribe relevant government departments to grant a route permit for plying of transport in the area. Again, part of this money was pocketed by the **dallal**. However, both these services are now increasingly taken care of by private entrepreneurs. Water is supplied by donkey-carts from the nearest standposts and the people pay directly to the vendors. Transporters, sensing that there is a demand for them, make their own arrangements with the administration. More recently, small Suzuki wagons transport people to the nearest bus stop from new settlements. These vehicles do not have a licence to operate as public transport, but again they have an understanding with the area **thana**. Such Suzukis also take the women of many **katchi abadis** to and from their places of work many miles away from their homes. This system is convenient for it is fast and comfortable as compared to regular public transport.

4.1.2 Electricity:

Electricity is provided to those residents who can afford it, from a diesel fired electric generator installed by an entrepreneur in the area. He operates the generator for a few homes in the evening and in the afternoons on hot days.

4.2 Later developments:

4.2.1 Services through lobbying:

Piped water and electricity are the first priorities of the residents when they begin to settle down in their new **abadi**. The **dallal**, obsessed by improving the conditions in the settlement, has usually lobbied for

these through his social welfare organization. He has been known to hire journalists to paint a distressing picture in the newspapers about his settlement so as to attract the attention of officials and politicians. He has organized the residents to apply en-mass for electricity and then arrange demonstrations in front of the KESC office demanding electric connections. He has purchased politicians, with the residents money, to assist him in his efforts and he has offered his assistance to the party in power at election time in exchange for services to his ISDs. If services have come to these settlements it is usually through the intervention of powerful political figures who have been involved with the **abadis** due to the **dallals** efforts.

4.2.2 Peoples own efforts:

a) Sewerage systems:

People, motivated by **mohalla** activists, have in many cases organized themselves in laying sewerage lines from their lanes to the nearest **nullas**. This can only happen where a **nulla** is near by, which is rare. Most work of this type done by the people is substandard in quality and technically unsound. It quickly falls into disuse as it is carried out without tools, levels, skilled workmen or plans and estimates. Since it is also not related to any master plan, it cannot be integrated into a larger sewerage system for the **mohallah** or the settlement as a whole. Large amounts of peoples money has been wasted as a result. People realize that the absence of a proper sewerage system is responsible for their bad health and that as a result they are forced to spend a large sum of money on doctors and medicines.

b) Solid waste disposal:

Many lanes and even **mohallahs** have engaged scavengers collectively to lift their garbage and sweep their lanes. Due to this their areas are relatively clean, especially if they have a sewerage system. The scavengers usually dump this garbage on the main roads or access ways-where it rots until public pressure forces the KMC to take action.

4.2.3 NGO involvement in provision of services:

a) BUSTI:

BUSTI evolved out of UNICEF's **Baldia Soak pit Project**.

Soak-pits were installed for demonstration purposes in Baldia and the residents motivated to adopt them and pay for them. Due to this people became aware of soak-pit technology and adopted it in a big way. For disposal of waste water, however, open drains were constructed and those people who did not construct soak pits connected their latrines directly to these drains. Thus, the project has ended in failure and sanitary conditions in Baldia remain poor. BUSTI, however, is now operating in a number of **abadis** where it has formed people's committees. Loans from a revolving fund are being provided for the instalation of soakpits and soakpit technology is being extended to the people. In addition, the organization also has a home-school programme and a health programme.

b) OPP:

The Low Cost Sanitation Programme of the OPP is its most successful programme. Through it the OPP has motivated the residents to manage, finance, operate and maintain an underground sewerage system. The OPP designs the system, works out its costs, provides tools and supervision while the residents organize themselves, collect the required funds and manage the implementation of the project. Technical research and modification of engineering standards, along with the elimination of contractors profiteering and kickbacks to officials, have lowered costs to one-fourth of KMC rates for similar work. As the people have funded the work they also maintain it. Most of this maintenance is ad-hoc in nature and is a response to a crisis such as blockage of a drain resulting in flooding of a neighbourhood. In some cases people have, however, developed proper lane organizations that take care of maintenance and charge the residents a regular fee for it. However, the OPP system eventually flows into the open nullas, the development of which is beyond the financial and organizational capacity of the people. The OPP has so far assisted the people in providing underground sanitation to about 60,000 housing units.

4.2.4 Services through KMC grants to the councillors identified projects:

The KMC gives development grants for small scale projects identified by its councillors in their respective areas. Most of these projects consist of road paving, making of open drains, and more recently underground sewers. Again, this work is unrelated to a master plan as such a plan does not exist. In addition, the decision as to where this work is to be implemented is not decided by larger planning considerations but by

purely political ones. Over the years, this development work has increased in volume but its various parts do not relate to each other or to the work the people carry out through their own efforts, or with the work being done through the katchi Abadi Improvement and Regularization Programme (KAIRP). In addition, this work is implemented by KMC contractors without adequate tools, no survey instruments and no supervision, and much of it is washed away by the rains of functions badly. As such work done through these development grants, in the absence of adequate planning, technical support and supervision constitutes a massive wastage of public money. NGOs, such as the OPP, obtain much better results by providing technical support to community financed and managed projects.

4.3 Katchi Abadi Improvement and Regularization Programme (KAIRP):

4.3.1 Description of the programme:

One of the major programmes of the Government of Pakistan is the regularization and improvement of katchi abadis which constitute 38 percent of Karachi's population and 22 percent of the total urban population of Pakistan (8). The programme in some form or the other, has been operative since 1973. In its present 1978 form (9) it envisages the regularization of, and provision of infrastructure to, all squatter settlements on government land which were established before March 23, 1985 and have more than 40 houses in them (10). The process of transferring this land from the government agencies who own it, to the programme implementation agencies, is at an advanced stage. The programme mechanics are

- community participation in decision-making on the nature of upgrading and lease and development charges;
- upgrading of the settlements by providing services and demolishing those houses, or part of those houses, which obstruct the implementation of the upgrading plan;
- grant of 99-years lease to the residents and the recovery of land and development charges from the beneficiaries;
- provision of houses to the people displaced by the upgrading process or those who built their houses after the cut off date;
- the government was to provide the seed capital for

this programme, which was to operate as a revolving fund as lease and development charges were recovered;

- maximum community mobilization and participation, in the programme was envisaged as it was correctly foreseen that without these aspects to it the programme could not possibly succeed (11).

4.3.2 Failure of the plan:

The KAIRP formed an important part of the Fifth and Sixth-Five Years Plans. However, inspite of considerable finances at the disposal of the implementing agencies, and the involvement of the ADB and World Bank, no more than 18,000 of the **katchi abadis** house out of 175,000 that were eligible for lease, have acquired lease rights in the project areas. In addition, little of the physical work has been undertaken as yet (12). Non-recovery of lease charges from the beneficiaries has prevented the programme from proceeding as originally envisaged. In addition, new **katchi abadis** continue to grow.

4.3.3 Reasons for the failure of the plan:

The reasons for the failure of the plan are:

a) Flaw in the basic concept ?:

The basic concept of the KAIRP is that people wish to have a de-jure security of tenure for their homes and that they will be willing to pay for it. This payment is then supposed to finance the project and/or repay loans taken for implementing development in **katchi abadis**. However, the KAIRP performance so far seems to suggest that people having a de-facto tenure security are not too interested in a de-jure one especially if the process of acquiring this de-jure security is inconvenient, does not substantially improve living conditions and negates the investment on infrastructure they have made to date.

b) Bureaucratic red-tapism:

Inspite of the fact that the KAIRP began 10 years ago, the transfer of land from the owner to the implementing agency was a slow process. This delayed the implementation of the project. Even today, land belonging to certain federal agencies has not been transferred. In addition, the procedures of applying for and acquiring a lease have not been initiated in the

majority of settlements. Where they have commenced, they are lengthy and cumbersome, and the residents have to cater to a fair amount of corruption to complete them (13).

c) Lack of community participation:

The KAIRP has set out elaborate plans for involving the community at all stages in the regularization and improvement process (14). However, such participation is in the theory only. In most cases it remains limited to a few meetings of a limited number of community members, usually friends of the councillor or influential persons, at the councillor's office. Area and mohallah working groups as envisaged by the programme are seldom formed, and if they are, cannot be sustained, for reasons that need to be studied. Given the mistrust that already exists between the people of squatter colonies and the local government, this has led to non-cooperation between the residents and the implementing agency. Surveys have established that in Karachi, where the programme was heavily publicized, the majority of the residents were unaware about the details of the programme (15).

d) The problem of shiftees:

In the development plans prepared so far, 23.5 percent of the households in katchi abadis have to be relocated due to the standards applied (16). If the residents of those abadis are included which have to be shifted because they are considered to be in ecologically dangerous zones, the figure increases considerably. Thus, in the Special Development Programme for Katchi Abadis of Karachi, over 50 percent of the estimated budget for the KAIRP was to be spent on providing alternative accommodation to shiftees (17). The KDA does not have even a fraction of developed plots in suitable locations required for these shiftees.

e) Substandard work:

It is the perception of most katchi abadi residents interviewed in connection with this study, that in the majority of cases work done through the KAIRP has been of substandard quality. Residents feel that in many cases it has been certified as complete when not even 10 percent of it has been undertaken. The majority of the people are not willing to pay development charges for substandard or incomplete work. Programme economics show that if there is even a 20 percent default in recovery, the programme cannot continue (18). The

default in all cases so far is well over 20 percent (19).

f) Lack of appropriate institutions and procedures:

Appropriate institutions and procedures required for the implementing of the programme have not developed inspite of the fact that the need for them has been clearly identified by the programme.

g) No coordination with councillors identified projects or peoples own work in the area:

The programme is in no way tied to or related to the councillor identified development work or to the work done by the people themselves or through the NGOs. Thus, work is being duplicated and peoples perception is that they are being asked to pay, through the regularization process for work that has already been done.

4.4 Illegal service connections:

A large number of houses in ISDs and other informal settlements have illegal water and electric connections. The KMC plumber enters into an informal agreement with the house owner to provide him with a water connection. Ocassionally the KMC begins a drive against such connections. At all such times the KMC plumber demands a payment for overlooking the existance of such a connection. Similarly, the KESC line man overlooks the instalation of an illegal electric connection, provided the house owner has come to some financial agreement with him. At irregular intervals he demands payment from the house owner so as to let the connection continue. However, in both the case of water and electricity the cost of an illegal connection and its use is less than half that of a legal one. As the settlement consolidates itself, illegal connections, especially of electricity, become less and in the early shiftee settlements they are almost non-existent. Once you are well off there is the concept of *izzat* to be catered to.

III. FINANCIAL MECHANISMS

1. LAND, PROPERTY AND RENTAL VALUES IN INFORMAL SETTLEMENTS AND THEIR COMPARISON WITH NEIGHBOURING PLANNED AREAS:

1.1 In an early shiftee settlements:

Angara Goth, is an unorganized invasion settlement which has areas of ISDs as well. Comparison is made with the neighbouring KDA planned area of Sector 1-C, Liaquatabad.

a) Property values:

A small double-storey house on a side lane in Angara Goth costs about Rs 200,000. In 1-C Sector, it is approximately the same price. In 1960 an 80 square yards plot in Angara Goth was Rs 250, and in Sector 1-C it was Rs 6,000. Similarly, a three-storey building on 80 square yards on the main road with shops on the ground floor costs about Rs 650,000. In the planned area it costs about Rs 475,000.

b) Rentals:

Rent for 120 square feet shops on the main road in Angara Goth is Rs 600 per month and for a two room flat on the floors above is Rs 500. In the planned area the rent of the flats is the same as those in Angara Goth while the rent of the shops is 20 percent less. Rentals, according to the residents, account for about 20 percent of the population in both areas.

c) Reasons for the situation:

Both the settlements have all the basic amenities. However, Angara Goth has developed into a major industrial area for steel fabrication. This accounts for the higher values of shops. The fact that Liaquatabad Sector 1-C is a planned area does not seem to matter.

1.2 In later shiftee and related ISD settlements:

1.2.1 Orangi Township:

Comparison is made between the ISD development in Sector 10 and 11-1/2 and the KDA planned area of the township.

a) Property values:

A 100 square yard plot off the main road today in Sector 10 would cost between Rs 60,000 to 80,000. The price in the planned area is about the same for an 80 square yard plot. In 1970, plots in Sector 10 were sold for Rs 5 to 28 when the price in the planned areas for similar locations was Rs 500 to Rs 600. Commercial plots of 120 square yards in Qaddafi Chowk, a prime area in the planned sector, cost Rs 350,000. In the unplanned area of Pakistan Bazar in Sector 11-1/2, a 120 square yards plot with a similar location would cost Rs 500,000. In 1976, the price of such a plot in the planned area was Rs 8,000 while in Sector 11-1/2 it was only Rs 500.

b) Rental values:

There is almost no difference in rental values of domestic houses between the planned settlement and Sectors 10 and 11-1/2. However, rental values in Pakistan Bazar are about 35 percent higher than Qaddafi Chowk. Renters are said to account for 15 percent of the planned area and about 8 percent of the unplanned area.

c) Reasons for the situation:

Both areas have all the basic amenities. Sector 11-1/2 has developed into a major sub-market, which explains the higher values for commercial plots and rentals. Again, the fact that Sector 10 and 11-1/2 are unplanned areas does seem to effect their market price.

1.2.2 Baldia Township:

Comparison is made between Kumarwara, an early unplanned settlement; Gujrat Colony, a planned area; and Sector 8, a KDA planned scheme which is in the process of developing.

a) Property values:

In Kumarwara, an 80 square yards plot on a side road costs Rs 75,000; in Gujrat Colony, Rs 100,000; and in Sector 8, Rs 18,000. Commercial plots on the main roads cost in the three settlements Rs 150,000, Rs 250,000 and Rs 25,000 respectively.

b) Rental values:

In Kumarwara, a two room semi-pucca residential house on a side road can be rented for Rs 500, in Gujrat Colony for Rs 800, and in Sector 8 for Rs 200 to 250. Shops of 120 square feet can be rented for Rs 250, Rs 300 and Rs 75 to 150 respectively. There are definitely a larger number of renters in Gujrat Colony and almost none in Sector 8.

c) Reasons for the situation:

Kumarwara is older than Gujrat Colony. However, Gujrat Colony has a better approach from the Hub River Road. In addition, it is better planned with larger open spaces. Both settlements have access to water, electricity, transport and gas but have poor sewerage and drainage facilities. Sector 8 is still receiving shiftees from the city centre who pay Rs 1,250 for the plot they receive. Most of them sell their land to speculators for Rs 18,000 to Rs 25,000, depending on the location, and move back to the city. Transport and electricity is not easily available in Sector 8.

1.3 In expanding ISDs:

Comparison is made between the developed and developing parts of Ittehad town in Baldia, Muslimabad in North Karachi, and Naseerabad near Drigh Colony in East Karachi. Comparison of each of these settlements is further made with the formal sector schemes bordering them. These are, Baldia Sector 9 near Ittehad Town; New Karachi Sector 5-D near Muslimabad, and Drigh Colony near Naseerabad.

a) Property prices:

120 square yard plots off the main road.

	1985 price	1990 developed area	1990 developing area	Nearby formal sector schemes
-----	-----	-----	-----	-----
Ittehad town	600	20,000	5,000-10,000	15,000
Muslimabad	400	10,000	2,000- 4,000	35,000
Naseerabad	800	25,000	6,000-15,000	20,000

b) Rental values of a semi-pucca two rooms house:

	1985 price	1990 developed area	1990 developing area	Nearby formal sector schemes
-----	-----	-----	-----	-----
Ittehad town	NA	600	250	NA
Muslimabad	NA	250-300	75-100	NA
Naseerabad	NA	600	200	NA

Rentals in all these settlements are rare. The residents feel that no more than 2 to 3 percent of the households are living in rental accommodation.

c) Reasons for the situation:

The ISDs still have to acquire services whereas the planned areas have them. In the case of the comparison between Ittehad town and Baldia Sector 9, the low price of the latter is because of poor transport services and large vacant areas that people have held for speculation. Large parts of Ittehad town meanwhile are almost fully occupied and have transportation links through Orangi. Low price of property in Muslimabad is because of its long distance from the job markets. The high prices in Naseerabad are due to its proximity to the city, a reliable transport system and because KDAs Bagh-i-Kasim scheme is being developed in its neighbourhood. In addition, a road link from Drigh Road to the Korangi Industrial Area has been planned that will pass in the proximity of Naseerabad.

1.4 In encroachment settlements:

In encroachment settlements people sometimes sell their qabza or possession of their properties. The price of this qabza depends on a number of factors. If the people whose properties have been encroached upon are not influential and the settlement is large then the services acquired by the residents will be substantial, the homes will be semi-pucca, and as a result the price of possession will be high. For example, encroachment on plots on Sector 1-A-4, New Karachi, a KDA planned area, are small, there are no services and the houses are mostly katcha. The price of possession of a house is only Rs 1,000. Private owners are supposed to be more 'influential' than the KDA. As such the cost of a 120 square yards plot of land on the service road near Shah Bhitai Colony is Rs 6,000. The settlement has piped water and a large number of illegal electric connections are available while most of the houses are

semi-pucca. Again, this encroachment is next to the industrial area whereas the encroachment on Sector 1-A-4 is far from the job markets. Location and the nature of the owner whose property is being encroached upon, seem to determine the price of property, the level of services acquired, and the physical condition of the encroachment.

2. THE DEVELOPMENT PROCESS: WHO GETS WHAT

2.1 ISDs:

Current cost of new 120 square yard plots according to the dallals.

Name of settlement	ISD plot cost to the buyer	Who gets what			
		Claimant	Dallal (a)	Govt. officials	Police
Ittehad town	1985	300	100	200	(b)
	1990	3000	1000	1000	1000
Yakoobabad	1987	500	200	200	(b)
	1990	6000	2000	2000	(b)
Naseerabad	1985	300	200	300	(b)
	1990	3000	1000	1000	1000
Muslimabad	1985	200	100	100	(b)
	1990	1000	400	400	200 (b)
Sajjan Goth (c)	1990	3000	Nil	500	Nil

(a) means that the person sets aside plots for speculation purposes.

(b) means that in this case the police collects money directly from the residents when they occupy the plots, build their compound wall, lay an RC roof or build a first floor. Each payment is seldom more than 10 percent of the plot price.

(c) Sajjan Goth is near Ittehad town. It is being developed by the original owner and as such is cheaper than the dallal developed schemes such as Ittehad Town in its vicinity. The police does not interfere with the development process as the claimant has the protection of a powerful

politician, who it is claimed has a share in the development.

2.2 Encroachments: according to the residents

Name of encroachment	Price paid	Who gets what			
		Dallal	Police share	KDA/KMC officials	Neighbour (a)
New Karachi Sector 1-A-4 KDA scheme	600	donot know	+100+(b)	donot know	Nil
Service road at Shah Bhitai Colony	2000	-do-	(b)	-do-	Rs 50 per month for water supply
Hawkers at Lea Market	250-425 per month	non-existant	175 per month	75-100	100-250

(a) neighbour means the person in front of whose house or shop the squatting takes place

(b) periodic payments are made by the encroacher. At an average they work out to Rs 300 per year for the police and the same for the government officials. When demolition is ordered then larger payments are extracted to let the encroachment stay.

3. HOUSE BUILDING COSTS:

3.1 In new ISDs:

In a period of three years after settling in an ISD, 70 to 80 percent of the households invest about Rs 30,000 in constructing a three rooms semi-pucca house with a soak-pit, kitchen and a bathroom. 5 to 7 percent houses remain katcha during this period and the rest develop into pucca houses with an investment of over Rs 100,000 (20). Money for the first category comes as loans from friends and relatives; saving; sale of valuables, usually womens ornaments; besi committee or from a loan of materials and cash from the thalla; or as a combination of all or some of these sources (21).

3.2 In the city centre:

In the city centre, in Khadda and Lyari, plot sizes are about 180 square yards. As mentioned earlier in some of these areas there is a great demand for storage spaces. **Dallals** negotiate with the owner and settle terms between him and a contractor. The agreement is as follows.

- a) The contractor develops the plot with godowns below and 4 floors of flats above by getting an advance from parties interested in purchasing the accommodation.
- b) The godowns of 12 x 10 sell for Rs 200,000 each while the flats sell for Rs 150,000 each. One floor of flats is given to the owner free of charge and he also collects a nominal rent from the new owners. This rent is about Rs 200 per month for each shop and about Rs 150 for each flat (22).
- c) The **dallal** collects his commission of 2 to 5 percent of the project cost from each party.
- d) Often no plans for this construction are approved by the KDA. Even if they are, they are not followed and there are major violations of zoning regulations in the design. KDA building inspectors come to a financial understanding with the **dallal** and turn a blind eye to these violations. When the construction has to be legalized similar understandings are arrived at with the KDA higher-ups (23).

4. LEASE: pros and cons

Most **katchi abadis** in Karachi have been earmarked for regularization. In a number of them the process has already begun and executing a lease for property is now possible. However, people are not interested in executing a lease as the only benefit they feel they can get out of it is that they can get a loan from a bank against their property. Few desire or need such a loan. According to estate agents in low income settlements, the sale price of a leased house is usually Rs 3 to 4,000 less than that of an unleased one. This is because in the case of a leased house the lease has to be transferred to the name of the new owner and mutation in the KDA or KMC registers has to be executed. This involves the payment of registration charges at 8 percent of the sale price, mutation charges, legal fees and the inconvenience and

additional cost of dealing with officialdom. Since sale and transfer of property can be legally effected without a lease, the vendors and purchasers of property in the low income areas see no reason to bear these additional expenses.

5. THE COST OF SERVICES: A COMPARISON BETWEEN INFORMAL AND FORMAL COSTS

5.1 Water:

a) Informal supply through bowzers:

Average cost per month per household : Rs 120

b) Through KMC house connection:

Rs 450 for the connection (Rs 250 KMC connection charges plus Rs 100 worth of plumbing material plus Rs 100 to KMC plumbers) plus Rs 99 per month user charges. If user charges are not paid the KMC takes no action and the KMC plumbers can be induced, at Rs 50 per month, to keep the connection intact. People generally find it difficult to pay the initial Rs 450 required for the connection.

5.2 Electricity:

a) Informal:

- From commercial generators: The generator owner charges Rs 20 per month for a tube light, Rs 50 for a fan and Rs 50 for a TV. He is paid in advance, and if the next payment does not materialize at the end of the preceeding month, he discontinues the supply. This form of electric supply is far more expensive in the long run than through the KESC. However, no major initial payment is required for it.
- Illegal connections: The owner of the house hires an electrician who gives him an illegal connection. Once established, the owner pays the KESC inspector an average of Rs 50 per month to keep the connection going. In many areas people do not pay anything for these connections except when the KESC officials threaten to prosecute the offenders. At such times the owner may have to pay upto Rs 200 to 300 to keep the connection going.

b) Formal:

A formal KESC connection for a small 120 square yard house costs Rs 2000 (plus Rs 500 for chai-pani) and the average monthly bill works out to about Rs 50.

5.3 Sewerage:

It is estimated that within three years after moving in the majority of house owners build a soak-pit. The cost of this is about Rs 1,500. The OPP's sanitation programme also costs the residents about Rs 1,000 per house and is considered reasonable by the users.

5.4 Solid waste:

Many mohallas or lanes employ a scavenger for emptying out their bucket latrines or lifting their garbage and sweeping the streets. Normally each household pays Rs 20 per month to the sweepers if excreta is to be lifted, and Rs 10 if only garbage and sweeping is to be done. One sweeper can easily service 30 houses.

IV. PLANNING MECHANISMS

1. THE DALLAL AS PLANNER:

The dallal is the planner of the ISD settlements. He chooses the location for the settlement; locates the prospective buyers; establishes the relationships with the other actors so as make the project possible; conceptualizes the plan in his head and then physically implements it. Later on he struggles to get the settlement recognized, acquires services for it and often emerges as its leader. To do all this he has to understand the social and economic aspects of his clients; maintain contacts with key persons in other settlements and deras; move around in government planning, development and administration offices; and to constantly update his knowledge regarding the 'market'. All this calls for exceptional skills.

2. THE CHOICE OF A LOCATION:

2.1 The dallal conceived main circulation ways:

What determines the location of the settlement has already been described earlier in the report. The earlier sub-divisions were near the main arteries of

the city whereas the newer ones are on major roads, or the continuation of these major roads taking off the main arteries, that the **dallal** has established through his settlements. Often these roads are continued by other **dallals** through the new settlements that they establish. The direction of these roads is always towards some major government built or proposed highway. For example, the road through the Yakoobabad settlement is supposed to continue till the RCD highway, which is about five miles away. All **dallals** working in the area are respecting this decision. Once the link with the RCD highway has been established, the value of land in the **abadis** on it will increase many-fold and the land at the junction of the road and the RCD highway will become prime commercial property. It now belongs to a Baluchi tribe.

2.2 ISD's relation to government development plans:

The **dallals** keep in touch with KDA and other government plans for road and land development as this determines the areas in which a demand for housing or commercial activity will be generated. For instance, all **dallals** in West Karachi are well acquainted with the proposals for a Southern and a Northern bye-pass for Karachi and for the Port Qasim-Super Highway link road. Contacts with locals in possession of land in the area have already been established and so have contacts with relevant government agencies.

3. PHYSICAL PLANNING:

3.1 The plan concept:

The plan of the settlement is in the **dallal's** head. He stands on high ground and decides the direction of his main road. In his head again, he sees the relationship of this settlement with other areas of Karachi. This makes him understand the nature of activity that may develop here in the future, in addition to residential activity. He has to cater to these possibilities and they decide certain road widths, plot sizes and the areas where plots for speculation have to be located. Some times, this is put down on a piece of paper in the form of a rough unscaled sketch. Some **dallals** have had plans made by their KDA collaborators in the town planning section, but complain that they were inappropriate for the 'market'. All planning, irrespective of contours, is usually on a grid iron.

3.2 Planning criteria and standards:

The planning criteria and the standards developed by the **dallal** respond to what he terms as the 'market requirements'. He has no independent view on this issue. The standards that have emerged are:

a) Plot sizes:

People, especially those moving from congested city settlement, prefer 120 square yard plots to 80 or 60 square yard ones and are willing to pay extra for them. The common dimensions of these plots are 30' x 36' or 27' x 40', with the smaller dimension facing the road. The squarer plot is preferred because in 30 feet one can build two rooms plus toilet facilities opening onto the street.

b) Road widths:

Main roads, which are likely to house commercial or industrial activities in the future are usually 50 feet wide. Those that are likely to link major KDA planned arteries are known to be over 100 feet wide. Link roads within the settlement are 30 feet wide while the lanes are 20 feet. If economics permit then no more than 12 plots are put in the length of a lane. This is to increase the number of corner plots on which there is an initial premium of 25 percent and a subsequent premium, after the houses have been built, of upto 100 percent. Road widths of less than these standards are said to create a bad environment and plots in such settlements do not fetch a good price.

c) Shop sizes:

Shop sizes are almost always 12' x 10'. On a 27 feet wide plot two shops of 10 feet frontage are possible, with space left over for a staircase to the floors above and a passage to the ground floor flat at the back of the plot. In a 30 feet wide plot two shops of 12 feet wide frontage are possible with space left over for a staircase to the floor above and a passage to the back.

d) Amenities:

The **dallal** provides no amenity plots except for a mosque. For this he makes no charge and nor do the other actors receive any financial benefit from it. However, at a fairly early stage residents do often

take over some vacant land in the neighbourhood and use it as a playground. This space is fiercely protected by the residents, often with the help of the councillor. Many such spaces are over an acre in area, and when regularization takes place they are officially converted into parks and playgrounds.

4. CHANGES OVER TIME:

All **dallals** feel that major changes have taken place in the 'market' over time and this has led to changes in their planning. These changes are listed below.

- a) When the first ISD settlements were created, the **dallals** did not fully understand the future relationship between these settlements, official planning proposals, and the other areas of Karachi. As such the potential of these settlements as future commercial areas and sub-markets was not understood nor catered to in their layouts. This is no longer the case.
- b) As the **dallal** used to see the settlement in isolation from the rest of Karachi, he was unable to think of creating arteries and links between existing and/or proposed KDA communication network. Nor did he have the confidence of interfering in or effecting change in official planning. This is no longer the case.
- c) In the earlier stages the **dallal** tried to carve out as many plots as possible from a given piece of land. However, when the leasing process began it was noticed that regularization was easier if the plan corresponded to KDA regulations. This created a premium on land developed according to local body bye-laws. Thus, regulations were followed as far as possible. Now, however, the **dallal** responds of the market and the market wants a pleasant open environment, wide roads, not too long lanes and lots of corner plots.
- d) Uptill recently the **dallal** used only a measuring tape and stone for laying out the settlement. Today, he uses string and chalk as well and feels that a surveyor would lay a more accurate rectangle than him. However, the cost of hiring such a surveyor would either cut into his profits or increase the price of the plots. The former option is unexceptable to him and the later to his clients. The drawing up of plans is seldom done for this reason. His **shahgirds** assist him in laying out the settlements. In West Karachi, there are now three generations of **dallals**.

CRITICAL ELEMENTS IN INFORMAL SECTOR ACTIVITY

1. APPROPRIATENESS OF THE INFORMAL SECTOR FOR THE LOWER-INCOME GROUPS:

1.1 Location:

The informal sector provides the lower-income groups the possibility of settling in locations that are near to their place of work or are accessible because of the existence of roads and transport. Official planning does not always manage to take care of these requirements due to its slow process of development, and hence even part occupation of KDA schemes can take upto 10 years from the date of their announcement.

Comment: Official planning needs to understand the manner in which the **dallal** decides on which locality is suitable for habitation and how it can be occupied quickly.

1.2 Affordability:

1.2.1 To the owners:

The informal sector caters to a number of income groups among the urban poor. How much one can pay determines the tenure status of the settlement. At no time is the cost above the affordability level of the owners. Approximately 32 plots of 120 square yards can be accommodated in one acre. KDA pays the CBR Rs 25,000 per acre. Thus the cost per plot works out to about Rs 800. The plot sells at a minimum of about Rs 3,000 above this value. Affordability is made possible because of an absence of services. To acquire these the owner pays, in the form of protection money, **batha** and purchasing water, more than what he would pay for a KDA developed plot where all the services would be present. However, he makes payments in small instalments, over a period of five or more years.

Comment: It needs to be seen if the approach adopted by the **dallal** can be integrated into the official planning process. That means that services should follow habitation and the owner should pay for them incrementally. In addition, it must be realized that encroachments on developed government land, such as in New Karachi Sector 4 and 5, are really rentals for which the residents make informal monthly payments to the police and the touts of government functionaries. This clearly shows that there is a case for land rentals.

1.3 Profits to the dallal and his associates:

The main earning of the **dallal** and his associates come from speculation of choice plots. In a five to ten years period their value increases, sometimes by over 1,000 percent and development on them yields even higher profits. In addition, the fact that the **dallal** has no overheads, unlike the KDA and KMC, helps him in selling land at a price affordable to his clients.

Comment: If the state follows the development strategy of the **dallal** then it must be seen if the state can become a speculator and whether the profits of this speculation can finance upgrading and provision of amenities. However, some mechanism of preventing the plots from being encroached upon must be developed. The KDA does follow this principle. However, in most cases KDA plots are sold prematurely and through public auction. A 'reserved price' is set for them which is usually well below the prevailing market value of the land.

1.4 Killing speculation:

By forcing the residents to build immediately the **dallal** prevents speculation on the plots in his scheme, except for the ones that are specially reserved for that purpose. This also guarantees that only 'genuine' parties will purchase plots. KDA housing schemes on the other hand lie empty for years, tying up large sums of public money.

Comment: Can the state adopt some procedure whereby people can be forced to build immediately on their property? The NUF concept is alien to low income groups used to buying land and living in **katchi abadis**. In addition, it requires complex bureaucratic procedures for its enforcement.

1.5 Simple allotment procedures:

Buying a plot in the **ISD** settlements is a simple affair. It involves no red tapeism, catering to corruption, visiting banks and fulfilling other formalities, such as establishing one's identity, as required by formal sector schemes.

Comment: Can all formalities related to allotment, possession and demarcation of plots to low-income families become a one window affair on the site itself?

2. THE DALLAL AS DEVELOPER:

The expertise that the dallal possesses in relation to understanding market mechanisms, and the sociology and economics of low income groups, is a great asset and is not available with either the formal sector developer or the planner. Without this expertise the informal sector cannot possibly operate or the formal sector become appropriate for low-income communities.

Comment: The possibility of a role for the dallal in formal planning and implementation must be studied, keeping in view the need for giving him the freedom he is used to in his work. Without this freedom he will not be able to be of much use because due to a lack of formal education he cannot relate to the bureaucratic norms that are followed by formal sector planning.

3. RELATIONSHIP BETWEEN OFFICIAL PLANNING AND ISDs:

The locations and size of informal settlements in Karachi were not determined by the planners. But they were a response to certain decisions taken by them which were related to locations of industries, infrastructure and communication network and the availability of drainage channels required for waste water disposal and drainage.

Comment: The relationship between formal sector proposals and the response of informal sector developments must be clearly understood by the planners. Through this understanding the formal sector planners can determine the locations, extent and subsequent changes in land use and land values in informal settlements.

4. SERVICES:

There is no coordination in the development work undertaken by the people, through the developments grants of projects identified by the councillors, NGOs and the KAIRP. In addition, the work done by the state sector for small scale projects is extremely substandard as it is done without tools, plans, estimates and supervision. One of the reasons for this is the centralization of design and supervision work for far flung areas of the city.

Comment: Work to be undertaken by the people, by development grants for projects identified by the councillors, and by KAIRP must be clearly identified and must be carried out under a common master plan. In

addition, a mobile technical team of an engineer and a social organizer should be available to assist the councillor and/or the residents in designing and implementing development work.

5. HOUSE BUILDING:

The **thalla** plays an important role as a supplier of cash and material's credit for house building. In addition, the **thallawala** acts as a contractor, designer and advisor to the plot owner. A number of defects that are found in the houses in the ISDs are because of lack of knowledge, absence of tools and inefficiency on the part of the **thalla**.

Comment: The OPPs housing programme should be studied critically to see if upgrading the **thallas** technically and financially, and creating awareness among the population can improve construction and lower costs. Finances for this upgrading are available through commercial and cooperative banks and the government's small business loans programme. However, the **thallawalas** require assistance for applying for and overcoming administrative and bureaucratic constraints in acquiring a loan.

COMPARISON BETWEEN ISDs AND FORMALLY PLANNED AREAS:

In the initial stages there is a major difference between the price of property in ISDs and planned settlements. However, once both have been developed, values are similar and in many cases are higher in the ISDs.

Comment: Can this phenomena be of any assistance in determining land management directions by the KMC ? Can land, strategically placed in low income settlements be held by the state till such time that its value has increased by many hundred percent ?

7. LEASE ISSUES:

Lease is not a priority with the residents. This is because of an existing de facto security of tenure; possibility of conducting property transactions legally without lease and the problems involved in acquiring a lease. In addition, the majority of residents pay more than twice the official cost for executing a lease. The excess money goes to the government officials as gratifications and to the **dallal**. There is also a perception on the part of the residents that in the absence of a lease they cannot be called upon to pay

property tax.

Comment: Is there any advantage in separating lease charges from development charges and in considerably increasing the latter and reducing the former ? This might be an incentive for people to acquire a lease and this money may finance part of the external development of *katchi abadis*. However, if this is done, lease operations should be a one window affair, or all formalities, apart from the registration itself, should be carried out through the councillor's office.

8. NGOs:

Some NGOs operating in Karachi have shown that they are capable of organizing people and in motivating them to finance and manage development. In addition, they have developed various programmes that respond to the needs of low-income settlements and are compatible with the sociology and economics of the urban poor.

Comment: The KAIRP envisages the involvement of communities in its work. However, it has failed to achieve this objective so far and as a result its programme has been unsuccessful. The possibility of involving NGOs in the KAIRP and of modifying the programme to make it appropriate to such involvement must be studied. In addition, NGO programmes should also be studied along with the possibility of integrating them with KAIRP. In such an eventuality the roles of both NGOs and KAIRP should be clearly defined so as to be complementary to each other.

9. THE SITUATION AT PRESENT:

It must be clearly understood that formal sector planning and delivery mechanisms as they are structured today cannot serve the urban poor. It must also be understood that formalizing the informal sector on the formal sector's terms can adversely affect informal sector operations and make it all the more difficult for the poor to acquire land for housing.

Footnotes

1. See "Squatting by Organized Invasion in Karachi: a New Reply to a Failing Housing Policy" by Jan van der Linden: Third World Planning Review, Vol. 4; November 1982.
2. "Government Housing Policies for Low Income Groups in Karachi" by K.S. Yap from the book "Between Basti Dwellers and Bureaucrats": Pergamon Press Ltd., U.K.; 1983.
3. Ibid.
4. Derived from "Legal and Illegal Plot Development: a Rational for Illegal Sub-division of Land in Karachi" by Peter Nientied and Jan van der Linden; Nagarlok, January-March 1985.

Value of these services in rentals has been worked out in a master's thesis in economics at the AERC, Karachi. See "A Hedonic Analysis for the Rental Housing Market in Low Income Localities in Karachi"; 1989.

Findings of a survey of 183 random observations in a 5 mile radius around SITE show the following:

- mean rent Rs 285 per month
- number of rooms per house : 1.6
- average occupancy : 6 years
- premium on services
 - o water : Rs + 40
 - o gas : Rs + 40
 - o electricity : Rs + 35
 - o RCC roof : Rs + 8
 - o plaster on walls : Rs + 30
 - o additional room : Rs + 57

6. "Legal and Illegal Plot Development: a Rational for Illegal Sub-division of Land in Karachi" by Peter Nientied and Jan van der Linden: Nagarlok; January-March 1985.
7. a) See "Dallalabad: An Enquiry into Illegal Sub-division in Karachi" by Jan van der Linden
- b) for the case of Yakoobabad, see "A Study on Metropolitan Fringe Development in Karachi, Focussing on Informal Land Sub-divisions" by Arif Hasan: UNESCAP, April 1987.
8. "Pakistan: Project Preparatory Technical Assistance: Low Income Housing": ADB Consultants Draft Final Report; October 1988.
9. a) Presidents announcement of January 1, 1978

- b) 1978: MLO-67 called 'Regularization and Development of Katchi Abadis'
 - c) 1979: reconstitution of MLO-67 by MLO-110 and again by MLO-183 in 1982
 - d) 1982: Sind Katchi Abadi Rules (GoS).
10. Prime Minister's announcement in July 1986.
 11. For details of procedures see "Special Development Programme for Katchi Abadis of Karachi": NESPAK; March 1984.
 12. "Pakistan Shelter Sector Review": World Bank, June 13, 1988.
 13. a) For details see "Leases, Land and Local Leaders" by Yap Kioe-Sheng: Amsterdam Free University; 1982.
 - b) Regularization procedure described in "Special Development Programme for Katchi Abadis of Karachi" page 11 and reproduced below: NESPAK; March, 1984.

"Regularization: The residents of katchi abadis are granted 99 years lease. Leases granted to residents of katchi are not transferable for a period of 5 years except by inheritance or for mortgaging to obtain loan. Local councils have established lease offices within katchi abadis. The regularization procedure has been streamlined and includes following steps:

- Application from residents along with tax receipts and supporting documents.
- Verification by the councillor regarding occupation of plot on or before January 1, 1978.
- Scrutiny of papers by the concerned Assistant Director, Land and Estate Department.
- Checking of plot dimensions, landuse, occupation at site by the surveyor, land and Estate Department.
- Preparation of site plan in office and calculation of regularizable area thereof.
- Issue of demand note (challan) to resident corresponding to approved lease rates.
- Applicant to deposit lease charges along with arrears of other taxes, if any, in scheduled bank.
- Scrutiny of case by the KMC area lease committee.

- Removal of encroachment or affected portion of plot (if any) by resident.
- Execution of lease by the Registrar after payment of stamp duty by applicant."

14. "Improvement Policy for Sub-standard Urban Areas": KMC.
15. "Squatter Settlement Upgrading in Baldia, Karachi" by peter Nientied and Jan van der Linden: Amsterdam Free University; 1985.
16. Out of a total of 223,000 houses which were marked for regularization under the programme 52,500 were to be relocated. See "Special Development Programme for Katchi Abadis of Karachi" page 50: NESPAK; March, 1984.
17. The total cost of the programme 1983-88 was estimated at Rs 2,103.58 million out of which Rs 1,184.85 million were to be spent on resettlement of affected families. See "Special Development Programme for Katchi Abadis of Karachi", page 17: NESPAK; March 1984.
18. See Appendix 14 "Pakistan: Project Preparatory Technical Assistance: Low Income Housing": ADB; October 1988.
19. Ibid.
20. "Orangi Housing Primer": research document by students of the Department of Architecture and Planning, DCET, Karachi; 1983.
21. "A Study on Metropolitan Fringe Development in Karachi, Focussing on Informal Land Sub-divisions" by Arif Hasan: UNESCAP; April 1987.
22. "Architects Input into Informal Highrise": thesis report by Ahmed Nasir Bashir at the Department of Architecture and Planning, DCET, Karachi; 1989.
23. Ibid.

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