

Tenants: addressing needs, increasing options

IN VIRTUALLY ALL cities in the South, a significant proportion of low-income individuals or households rent their accommodation. In many cities, especially those of Africa and Asia, more than half the population are tenants and this proportion may be even higher for low-income groups.⁽¹⁾ This issue of *Environment and Urbanization* includes papers on the programmes and strategies of NGOs and governments working with low-income tenants.

WHAT IS KNOWN ABOUT THE RENTAL SECTOR?

THERE IS GREAT variety in the proportion of people in different cities who are tenants – from cities where less than 10 per cent are tenants to cities where more than 80 per cent are tenants. A recent survey of 21 Southern cities showed that in 16 of these, more than 30 per cent of the population were renters and in eight, this figure exceeded 50 per cent.⁽²⁾ Estimates suggest that the proportion of city dwellers living in rented accommodation had fallen in Bogata, Bombay, Calcutta and Dehli. In other cities, such as Port

Harcourt (Nigeria) and Seoul, the proportion of tenants had stayed the same or had increased.

Little recent and detailed information is available about trends in the rental sector. Considered at a regional level, the proportion of tenant households in Latin America and Asia appears to have fallen in recent decades although there are many cities in which this proportion remains high.⁽³⁾ In the larger and more prosperous cities, the proportion of low-income groups renting accommodation may be rising, with increasing competition for the best quality and best located land sites. As land becomes more valuable, illegal land occupations become more difficult and there are few sites for which ownership is not already claimed (whether legally or illegally).⁽⁴⁾ Cheap land sites are almost always available in the less commercially attractive areas but in general, the larger the city, the greater the distance between these cheap sites and the locations where most low-income households secure their livelihoods. As demand for housing increases in areas where many cannot afford to own land, those with land adjust or extend their structures to allow part or all of

This issue of *Environment and Urbanization* developed from a workshop on tenants' needs and priorities in June 1997 where first drafts of most of the papers published here were presented. The workshop not only allowed the authors to discuss their preliminary findings but also allowed a general discussion on tenants' needs and priorities – from which discussion this editorial introduction developed. Participants at the meeting were Ronnie Barbosa, Yves Cabannes, Manish Chakraborty, Kavita Datta, Silvia de los Rios, Alan Gilbert, Hans Harms, Diana Mitlin, Sayed-Iqbal Mohamed, Elizabeth Murcia, Isaac Karanja Mwangi, Pattie Richmond, David Satterthwaite, Philile Siwundla and Sarah Thurman.

Although each issue of *Environment and Urbanization* concentrates on a particular theme and the editors' introduction seeks to highlight key issues that arise from the different papers, this is the first time that most contributors have been able to work together to develop an issue of the journal. The editors hope to follow this example when developing future issues and they are particularly grateful to the Dutch Ministry of Foreign Affairs for funding the meeting and for providing support to the authors of papers.

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them to be rented.⁽⁵⁾ Renters may face increasing rents with few possibilities for owner-occupation.⁽⁶⁾ The paper by Hans Harms discusses these changes within the context of several Latin American cities.

Tenants are often particularly vulnerable to rapid economic, social and urban change. They generally have little or no effective legal protection and can be displaced from their accommodation by the owners at short notice. Even where contracts exist between tenants and owners, owners often insist on short-term contracts. Tenants are often subject to sudden rises in rent, especially when landlords are themselves suffering economically and raising rents becomes necessary to maintain their incomes. Whilst several city based studies have shown that tenants have better infrastructure and services than the city average, in part this is because they are more likely to live in densely settled, more central areas.⁽⁷⁾

There are few opportunities for tenants to be involved in improving the environmental quality of their settlement. As tenants, they often do not participate in the conventional process of urban development. Although Harms argues that tenants in some Latin American cities have, with the belief that their residence is permanent, invested in improvements. The upgrading and regularizing of neighbourhoods with secure land tenure, improved housing and the provision or improvement of infrastructure and services is of most benefit to the owner-occupiers in the area, as it is the value of their asset that is increased by upgrading. Some upgrading programmes have effectively and efficiently enabled low-income residents to obtain greatly improved infrastructure and services. However, significant improvements in the quality of accommodation are likely to result in rent increases and these may force low-income households who are unable to increase the amount they spend on accommodation out of the area.

This issue of *Environment and Urbanization* seeks to draw on a range of existing experiences to better understand the issues and themes that must be understood if the needs of tenants are to be addressed. There is already a substantial literature that describes and analyzes the situation that tenants face and this issue of *Environment and Urbaniza-*

tion does not seek to add to this literature. Instead, it concentrates on what might be done to improve the condition of tenants through development programmes and other interventions.

As the discussion in the papers shows, whilst in general there have been few policy and programme initiatives to address the needs of those living in rented accommodation, some organizations have sought to work with tenants in improving the range and quality of the accommodation options available to them. It is the hope of all those contributing to this issue of *Environment and Urbanization* that it will be effective in promoting tenants and their needs, and will encourage a wide range of learning and practical initiatives. This issue brings together reports on a number of innovative programmes that have sought to work with tenants using a number of different approaches:

- home ownership programmes specifically for tenants;
- neighbourhood development programmes and other programmes that have addressed the problems of tenants either as part of a comprehensive development strategy or through a specific focus on rented accommodation; and
- policy advocacy, information dissemination and legal support in relation to the rights of tenants.

The following section identifies and discusses a number of different groups of tenants and rental markets, introducing the papers in this issue by locating them both in different general contexts and in specific situations. From the analysis contained within the papers, a number of approaches to addressing the needs of tenants has emerged and these are summarized in the final section of this introduction.

BREAKING DOWN THE GENERALIZATION

THE PAPERS IN this issue of *Environment and Urbanization* demonstrate that, in addressing the needs of tenants, it is necessary to go beyond the broad generalization

implicit within this categorization to reach an understanding of the different kinds of tenants and tenancy agreements. Drawing on these papers, the situation of tenants and the nature of rental markets can usefully be broken down in three ways. The first is by spatial disaggregation which takes into account the different residential areas in the city. The second is by rental type which is often closely associated to spatial area. The third is by the nature of the "rental contract" which also has close relationships to the type of rental.

The papers in this issue differ in the solutions they propose partly because they differ in focus. Some of the groups whose work is reported here are based primarily in the central area of the city (Silvia de los Rios, Sayed Iqbal Mohamed, Elizabeth Murcia and Luis Castillo, Isaac Karangi Mwangi and V. Ramaswamy and Manish Chakravarti) whilst others have concentrated on residential areas further out (Ronnie Barbosa, Yves Cabannes and Lúcia Morães, Patricia Richmond and Sarah Thurman). Most of the programmes described here are for those who pay rent, rather than those involving more familial types of rental contract, but many recognize that the variety of tenure types is increasing and new initiatives are needed. In most cases, the tenants are renting accommodation on the private housing market although some of the papers also consider those in local authority accommodation (de

los Rios, Mwangi, Thurman). Most of the papers discuss initiatives for "informal" tenants who are without rental contracts but some discuss attempts to address the situation of tenants within the formal sector (de los Rios, Mohamed, Thurman).

a. Spatial disaggregation

Understanding the rental sector requires an understanding of the nature of the city and, in particular, of the kinds of accommodation that are available within its different areas. The nature of urban change and the impacts on tenants are further discussed in the paper by Harms. Looking first at the spatial distribution of accommodation in the city, the papers suggest that it is useful to distinguish three, potentially distinct, areas - the inner-city, an intermediate zone and the periphery.

Accommodation in the inner-city is generally high-density and medium to high-rise. In a number of urban centres the buildings are of a considerable age and may be deteriorating. Land is likely to have a relatively high redevelopment value. Rental stock is likely to have a relatively concentrated ownership with individual owners having one or more rented blocks with a substantial number of tenants. Services and infrastructure may be of poor quality due to the fact that the original investments were made some

Box 1: Changing Rental Markets in Selected Latin American Cities

Inner-city: provides a significant supply of rented accommodation in Lima and San Salvador but not in Goiania and Cochabamba. In Lima, rented accommodation is growing in importance in the centre and in the intermediate zone. In Goiania, tenants are being expelled from the centre with growth taking place in the intermediate zone and the periphery. In San Salvador, rental markets are becoming less important in the centre but little else is known about trends.

Intermediate zone: is a very important rental market in Cochabamba where housing developments which had taken place in the 1970s are now being consolidated to provide additional household income; however, this was not the case in the other cities. In Cochabamba, all the growth in rented accommodation is taking place in the intermediate zone.

Peripheral areas: are important in both Lima and Goiania but not in Cochabamba. In San Salvador, there was no information available on housing type within the periphery.

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years previously (and often intended for lower living densities). Papers focusing on inner-city areas include those by Mohamed on Durban, by Murcia and Castillo on San Salvador, by de los Rios on Lima and by Ramaswamy and Chakravarti on Calcutta.

The intermediate zone is the area of the city with lower densities and well-established accommodation. Rented stock is likely to be owned mainly by small-scale landlords who may live on the property or nearby. The peripheral zone may have recently been a peri-urban area that is currently being brought into the urban centre. It is the area for greenfield development or, in the context of low-income housing, informal developments, illegal occupation and land invasion. Infrastructure and services may be partial or non-existent. Most rented housing in this zone is likely to be informal with owners renting one or two houses or rooms. Many of the tenants helped in the programmes described by Richmond (Cochabamba) and by Barbosa, Cabannes and Morães (Goiania) were living in such accommodation.

Over time, there are evident changes in the distribution of rented accommodation throughout the city. Box 1 describes recent changes within the Latin American cities featured in this issue.

b. Disaggregation by ownership

Relations between tenants and landlords, the quality of accommodation and the potential and means for improving the situation of tenants are all affected by the form of property ownership and, in particular, whether or not the rented stock is public or private, by the number of properties owned by the landlord and by the degree of formality of the rent agreement.

Commercial rented stock. An immediate contrast can be made between large-scale commercial owners renting large numbers of properties and small-scale owners renting a number of rooms or buildings. In many cases, the larger-scale owners are concentrated in the inner-city in multi-storey accommodation but even in the small number of cases considered here there are exceptions to this trend, most notably in Nairobi where several large-scale land owners rent shacks to tenants or rent land to other agents who then

sub-let shacks to low-income residents. The Organization of Civic Rights in Durban (introduced by Mohamed) and the Mathera 4A Project in Nairobi (discussed by Mwangi) have sought to address the problems faced by this group of tenants and the papers discuss possible strategies for improving the quality of accommodation, in particular improvements to and the implementation of existing legislation (Durban) and the potential of non-profit ownership and management (Nairobi).

Similar problems are faced by many low-income families renting accommodation in the centre of Lima and their situation is described by de los Rios and by Harms. For many years, low-income families could afford to live in poorly maintained accommodation with a central location. More recently, a renewal programme in the centre of Lima has resulted in multiple pressures on households to move to peripheral areas. De los Rios describes the programme of one NGO seeking to support the tenants in central Lima to secure accommodation.

Small-scale owners. An important group of landlords in the inner-city areas of Latin America are smaller-scale owners who may rent out several apartments for income but who are not large-scale commercial landowners. In San Salvador, Murcia and Castillo describe how a problem initially encountered during the rehabilitation of the *mesones* was that the owners were not interested in renovating the buildings in order to continue to hold rented stock. With negative or marginal returns, they were happy to dispose of the properties. Equally, the regeneration of the inner-city areas in Lima demonstrated that the commercial viability of renting was relatively low. In circumstances such as these, low rents and non-existent maintenance leading to a general deterioration of the buildings appears to be common.

Public sector housing. Local authorities used to make an important contribution to the rented housing stock in some countries in the South. The 1990s have seen a reduction in the scale of the state sector in many countries and housing is not an exception to this common trend. However, in two of the studies it is evident that the state still makes a significant (albeit reducing) contribution to housing. Mwangi describes how in Nakuru, one of the Kenyan new towns, the state owns

about one-third of the housing stock. In South Africa, public hostels (which is a very specific form of local authority housing) accommodate a significant number of residents.

It is difficult to say how significant public housing is throughout cities in the South and it is therefore difficult to conclude anything about the broader relevance of the experiences discussed here. In the 52 cities in both the North and the South covered by the Housing Indicators Programme, most had over 10 per cent of their total housing stock in public ownership while nine of those in the South had more than 25 per cent.⁽⁸⁾ Mwangi notes how most housing stock owned by national government and state corporations has now been sold into private ownership.

An additional issue of importance to those with a poverty reduction focus is the significance of public sector rented stock for the poor. In the Kenyan examples discussed by Mwangi, some residents are far from being among the poorest groups. However, this is not true of the hostel dwellers who are involved in *Umzamo's* public hostel upgrading programme (Thurman). Nor is it true of tenants living in government accommodation in low-income neighbourhoods in Lima (de los Rios).

"Petty landlords". Many tenants in the South rent their accommodation from "petty landlords", typically low-income residents who live on the same site or nearby in the settlement. How large a contribution this generally informal rental sector makes to the overall supply of rented accommodation is not well-known although there are strong indications that it is the major supplier. The following quote, from the *Global Report on Human Settlements 1996*, discusses the significance of the sector:

"Several studies of Latin American cities and in Indonesia and Turkey found that the typical landlord is a former self-help builder.⁽⁹⁾ Many reside in the same property as the tenants and few have more than a couple of properties. In the consolidated periphery of Santiago de Chile, seven out of 10 landlords rent to only one tenant household; in Mexico City, the figure is three-quarters and in Caracas two-thirds. Even in the central areas of these cities, most landlords operate only on a small scale. In Mexico City, sub-divi-

sion of property through inheritance has gradually reduced the level of property concentration.

The few available studies in Asian cities also suggest a predominance of small-scale landlords. A similar pattern of small-scale ownership seems to hold for most African cities.⁽¹⁰⁾ It has been suggested that "...the rental market has been dominated by the small landlord; rarely, except perhaps in North Africa, have private investors built large blocks of tenements for the relatively poor."⁽¹¹⁾ In a survey in Cairo, 91 per cent of landlords live in the building and 76 per cent of surveyed landlords had less than 10 tenants.⁽¹²⁾ In a survey in Benin City (Nigeria), 86 per cent of the 50 landlords interviewed own only one property and only one had more than three properties.⁽¹³⁾"

The very poor condition of housing, infrastructure and basic services in Nairobi are described in the paper by Wegelin-Schuringa and Kodo. Nairobi is a somewhat special case as the number of tenants in these settlements is high (up to 90 per cent) compared to many other cities where many of the landlords do not live in the settlement. However, the general importance of the accommodation provided by small-scale landlords for low-income households is evident in the analysis by several of the authors and is also discussed in a number of the other papers. Research by Barbosa, Cabannes and Morães on the situation of low-income tenants in Goiania shows that most of those seeking assistance from the Goiania State Federation of Tenants and *Posseiros* were being provided with accommodation by "petty landlords". The main objective of the Federation has been to improve the range of options open to these informal sector tenants due to their dissatisfaction with their present situation. Over 100,000 tenants have invaded land despite the risk of violent eviction, in preference to continuing to live in rented accommodation. The tenants benefitting from the CERES programme in Cochabamba (discussed in Richmond) had also previously rented their accommodation from such "petty landlords".

Not-for-profit rented stock. Much housing support for low-income groups in Northern countries is provided through public housing or the non-profit sector. These pro-

viders are generally supported by both capital and recurrent subsidies to cover the costs of groups that cannot afford to pay the full market price for housing. In the South, the situation is, in general, very different. The scale of subsidy finance that governments are able or willing to provide is significantly smaller. Whilst some public housing units for rent have been constructed, it is likely that many of these benefits have been captured by better-off groups.⁽¹⁴⁾ And although there is a thriving voluntary sector in many countries in the South, few NGOs have been active in the rental housing market. Whilst there are many NGOs involved in housing issues, they generally focus on housing for homeowners. Two of the papers in this issue explore the potential of the not-for-profit rented

housing stock in a Southern context. Thurman considers hostel dwellers in Cape Town (although primarily focusing on those living in public not private hostels) and Mwangi describes a church based rental project in Nairobi.

Another form of non-profit housing found in the North is that of a **tenants' cooperative**. However, there were no experiences of tenants' cooperatives in the case studies published here. The land trust in Voi (discussed in Mwangi) is probably the closest to such a model. This project illustrates how cooperative arrangements can enable people to own the structures they construct whilst ownership of the land remains with the collective. This project also highlights why tenants' cooperatives are unlikely to develop; without a

Box 2: New Ways of Obtaining Accommodation in Latin American Cities

• **In Bolivia (discussed in the paper by Richmond), the institution of *anti-credito* is widely used. This involves the payment of a capital sum as a loan in return for which the renter is allowed to make use of the property for a specified period of time. It became more popular in times of high inflation, when high interest rates made it difficult to obtain access to capital, and has more recently spread to the low-income sector. In times of high inflation, the value of the money when returned at the end of the period is much reduced and, in this sense, the payment given in compensation for the lack of rent is the interest forgone.**

• **In El Salvador, rent/ buy arrangements are being used whereby serviced plots (sometimes with small houses) are provided on the periphery of urban areas. Rental payments are made for about five years and, if these are completed, the freehold title passes to the renter. There is concern that if the payments are not maintained the household may be evicted at the end of the period with little to show for their investment.**

• **Families may allow another family to stay on their land or in their house free of charge or with a reduced rent in return for services such as childcare or domestic help. Many such arrangements are based around family relations where help is given in obtaining accommodation in return for which reciprocal favours are granted. In Peru, for example, the 1993 census shows that the number of households securing accommodation through staying in the house (or on the land) of another person, with their authorization but without paying rent, increased from 2.4 to 4.4 million between 1981 and 1993 with most of this increase taking place in urban areas (see the discussion in de los Rios).**

• **In Bolivia, a considerable number of younger households live in houses that are lent to them (often by relatives) on a rent-free basis. This tenure form of *cedida* provides them with two big advantages: they save considerably on housing expenditure and they live closer to the city centre than would have been possible if they had had to rent accommodation. In this way, *cedida* helps younger, lower and middle-income households to "cope" with difficult economic circumstances.⁽¹⁵⁾**

subsidy to encourage rental cooperatives, such arrangements tend to become owner-cooperatives. In the Voi example, the land had been given to the squatters and renters who previously occupied the site with ownership passing to a legal trust.

Sub-letting: A common source of rented accommodation is sub-letting from other tenants. Again, this is a common strategy in informal settlements. Sub-letting may involve a room or even a bed. In some cases, a small portion of land within a plot is sub-let. As for petty landlords, several references are included within the papers in this issue.

c. Contractual differentiation

Different groups of tenants have different tenancy arrangements. A distinction has already been drawn between tenancy agreements with a formal contract and those with an informal contract. The vast majority of rental arrangements with petty landlords and sub-letting agreements are informal, with no legal agreements and neither accepted nor standardized procedures to be followed. Several papers in this issue emphasize the informality associated with many rental arrangements. The research by Barbosa, Cabannes and Morães shows that in Goiania the majority of the tenants interviewed had no formal agreement with the owner of the property. Silvia de los Rios, in her paper on Lima, also emphasizes that few of the tenants have written agreements.

In addition to both formal and informal contracts involving a regular payment of rent, there are a number of rental situations that are difficult to classify because they do not involve a simple transaction of money and accommodation. A survey of the Latin American city experiences represented by the papers here noted that the trend in rented accommodation for low-income households appeared to be shifting from commercial to familial transactions. It was agreed that this is likely to have implications on the development of future programmes to assist tenants. Box 2 describes some of aspects of this trend within the Latin American cities referred to here.

ADDRESSING TENANTS' NEEDS

THIS INTRODUCTION HAS provided only a cursory look at the rental sector but already the problem of generalization is evident. Faced with this diversity, it is impossible to talk about simple solutions for improving the situation of tenants. Nevertheless, there are some broad approaches which appear to offer some general applicability, at least as far as the different experiences represented by the papers in this issue of *Environment and Urbanization* are concerned. These approaches can be sub-divided into four main areas: government policy, increasing the supply of rented accommodation, legal approaches and tenants' movements.

a. Government policy

Most housing policies and programmes in the South focus on home ownership. In the context of government support, there may appear to be many advantages to subsidizing home ownership rather than rented accommodation. The subsidy is fixed and will not be continued indefinitely for each single property (even if it continues for a number of years through the provision of subsidized interest rates on loan finance). Funding to homeowner programmes can be somewhat flexible with the scale of the programme being changed as the government chooses.

In contrast to home ownership subsidies, public sector housing (and/or a rental subsidy) may be harder to manage. If the rental units are provided by the public sector, there is a necessary commitment to maintaining a given capital stock. If rental subsidies are given to large commercial landowners to develop rental stock (in preference to publicly owned housing), there are understandable concerns that the owners will seek to keep the value of the subsidy and rent the properties for as high a price as possible. Government agencies may find it difficult to ensure that the value of the subsidy is passed on through the rent (and this would require a considerable regulatory capacity on the part of the responsible government authority). Moreover, if there is a shortage of low-income housing (and this is likely to be the case), the process by which the units are allocated

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to residents would be open to abuse, especially if rents were maintained at relatively low levels.

Government concentration on home ownership solutions in the provision of housing for low-income families is therefore understandable but, nevertheless, it is clearly inadequate to the housing needs of any country. A considerable proportion of low-income urban dwellers meet their needs for housing through the rental sector and, in many cities, the rental sector is growing in absolute numbers or as a proportion of those living in the city. It is inconceivable that all urban residents can meet their accommodation needs through home ownership.

The paper by Wegelin and Kodo considers the role governments or NGOs could take in improving provision for water and sanitation in informal settlements with a high proportion of tenants. Here, the focus is on improved provision through public standpipes and public latrines since this avoids the problem of landlords' unwillingness to improve provision within rented accommodation or their demand for higher rents, if improved provision is made. The paper describes the experiences with the construction or improvement of public latrines in three informal settlements in Nairobi and discusses what has been learnt from these experiences, including how best to ensure maintenance and revenue generation.

Those with responsibility for housing issues and policies need to look more carefully at the kinds of interventions that might be effective in improving the supply of rented accommodation (and hence the choices open to tenants) and the quality of such accommodation. Consideration should be given to the many different sub-groups within the rental sector. For example, there is little point in having a major emphasis on local authority housing or on the formal commercial sector if most rental housing is being provided by those occupying land in the informal settlements. Thus, there is value in governments adopting an integrated strategy which would include measures to support the following three areas of intervention.

b. Increasing the supply of rented accommodation

The majority of tenants meet their need for accommodation through the private rental market. However, only a few (if any) groups are addressing the needs of tenants through working with the providers of rental accommodation either on the scale of large commercial landowners or with the small homeowners renting a room or shack on the homeowner's plot of land. Whilst rental markets are complex, there is some indication that they may be responsive to changes in market conditions and the situation for tenants is likely to improve with an increased choice of rental accommodation. In a rare and detailed study of landlords' behaviour in Nairobi, Amis (1996) concluded that landowners were sensitive to market conditions and, in a situation of falling real wages, rents were reduced.⁽¹⁶⁾

It is too early to conclude that the situation of tenants can be improved through deliberate interventions to increase the supply of rental housing but it may be useful to explore this strategy. There may be particular value in working with small-scale landlords who are often living in informal settlements rather than offering support for the large-scale commercial suppliers of rented accommodation. For example, projects and programmes that support homeowners in incremental housing development might also make provision for households to extend their buildings to provide rental units. In many cities, the growth in such provision is constrained because of the difficulties that the poor have in obtaining access to loan finance. Encouraging the provision of rental units might help to reduce prices, thereby making them affordable, and may increase the choices available to tenants.

Whilst government and/or NGO programmes might have sought to increase the supply of rental accommodation in informal settlements, such strategies do not seem to be common. Support measures to strengthen the small-scale providers of rental accommodation do not feature in the papers in this issue of *Environment and Urbanization* although examples of such strategies were sought when planning this issue. An NGO in Cebu City (the Philippines) is now exploring

the feasibility of providing commercial loans to low-income homeowners to enable them to extend their homes and provide rental accommodation.⁽¹⁷⁾

Housing cooperatives exist in many countries in the South (albeit on a small scale in some). Such cooperatives seek to take advantage of collective activities and support in order to realize the housing needs of their members. However, there appears to be little reason why such cooperatives should become tenants' cooperatives rather than home ownership cooperatives if differential subsidy finance favouring tenancy arrangements is not available. If members have to meet the full costs of housing development themselves, they will wish to own their properties. The scale of demand is not evident. Two of the papers consider the renewal of buildings in inner-city areas (the papers by Murcia on San Salvador and de los Rios on Lima) and, in both of these programmes, individual rather than collective ownership is the emerging model. However, Mwangi discusses a group of local authority tenants who are planning to form themselves into a housing cooperative to secure better accommodation. There may be some advantage in housing cooperatives developing small numbers of rented properties on site both to contribute to the maintenance of collectively owned facilities and to offer a capital asset if the cooperative has financial difficulties. In one housing cooperative in Mexico, the members developed three units for these purposes but it is not evident that such strategies are widespread.⁽¹⁸⁾

An alternative approach to increasing the supply of private accommodation is the development of public and non-profit housing, a theme explored in the papers by Thurman and Mwangi. In South Africa, Thurman describes how the residents of both public and private hostels are looking at new forms of ownership and management. The housing subsidy programme of the new South African government is willing to support the development of non-profit housing institutions and enables such initiatives to obtain a capital subsidy to support the construction or improvement of such buildings. (However, and as discussed in the paper by Thurman, the issue of public subsidy for recurrent costs remain unsolved.) Mwangi describes and ex-

plores the Mathare 4A Project in Nairobi. In this project, a church group has raised international donor funds to improve living conditions in low-income rental units, to ensure that rent levels remain affordable and to restrict access to the project to the original residents. However, whilst the issue of recurrent costs is not a problem, Mwangi questions the ease with which such initiatives might be replicated.

In a context in which the supply of non-profit housing is likely to remain limited due to the need for on-going subsidies but with few sources for such subsidies, there is a particular need to look at market oriented strategies for increasing the supply of rental accommodation. Whilst non-profit housing development may be recommended in order to reduce exploitation of tenants and maintain environmental standards, it is difficult to see circumstances in which large amounts of finance will be made available. In both of the non-profit examples discussed in this issue, concerns are raised about the problem of continuing finance to support and scale up such programmes. Whilst this problem might be resolved in the programmes considered here, it raises questions about the replicability of such strategies. Hence the importance of exploring strategies which might increase the supply of private sector rental accommodation.

c. Legal approaches

Increasing the supply of private rental accommodation may extend the choice of accommodation that is available but a number of these case studies stress the vulnerability of tenants and their lack of power within landlord and tenant relations. In this context, several of the authors are concerned to ensure that appropriate laws and regulations are in place to protect both tenants and landlords. These instruments should include legislation to protect the position of tenants, model contracts to enable the easy application of such legislation and specialized courts able to respond rapidly, consistently and appropriately in cases of disputes between landlord and tenant. The paper by Mohamed describes some proposals for appropriate legislation for rented accommodation in South Africa.

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The experiences in the papers suggest that legislative frameworks need to recognize that it is difficult to meet the needs of tenants for several reasons. First, the high degree of informality in many tenant/owner relationships makes it difficult for legal intervention to be effective. Where relations are highly personalized, it may be difficult to support the tenant, generally the weaker party, through legal approaches based within the formal sector. Landowners may resort to violence and intimidation in order to take advantage of their position and either evict the tenants or ensure payment. Secondly, much legislation is ineffective as it is not enforced by weak state agencies and, therefore, tenants lack protection despite the existence of legislation. Mwangi discusses how Kenyan legislation implies a degree of protection for tenants but many of those living in the informal settlements of Nairobi lack even the most basic services and can be evicted at any time.

The third problem is that, when protection for tenants is enforced, owners providing rented accommodation to those with low incomes seem to have little further incentive to maintain their properties but prefer to collect nominal rents and allow the properties to deteriorate.⁽¹⁹⁾ In Calcutta, Ramaswamy and Chakravarti explain how successive attempts were made to pass legislation to improve the situation of millions of tenants but conditions remain very poor. After the earthquake in San Salvador, Murcia and Castillo explain how homeowners had no interest in receiving financial support to renovate rented housing. Rather, they preferred to sell the units and invest the monies elsewhere, after legislation to protect tenants had reduced the profitability of commercial renting. Whilst such problems are not arguments against the provision of greater legal protection and regulation of the rental market, they do emphasize the difficulties of effective legal intervention.

For many tenants, therefore, the situation is one of a scarcity of affordable adequate accommodation and little effective legal protection. Consequently, the importance of tenants' movements to represent their perspectives and interests emerges in several of the papers.

d. Tenants' movements: action and advocacy

A critical component in any of the interventions discussed above, be they oriented to state policy-making, to the operation of the market or towards legal processes, is the effective involvement of tenants themselves. Strong, representative tenants' movements enable tenants to work with professional agencies involved in housing and urban development at both a settlement and city level. Such involvement helps to ensure that proposals, policies and programmes are effective in addressing tenants' needs. Representative groups provide support to individual tenants seeking appropriate and sympathetic advice for addressing problems with their landlords. Within tenants' movements, these experiences can be consolidated so that tenants can learn from each other and collective responses can be planned. There has recently been a much greater awareness among a range of national governments and development assistance agencies of the significant contribution that civil society organizations can make to effective development, and the rental sector is no exception.

Tenants' movements in the South are relatively weak and, in general, they have been concentrated within specific groups of tenants such as those in public housing (such as the Madaraka Housing Cooperative Society discussed in Mwangi) or those with large commercial landlords (such as the groups supported by the Organization of Civic Rights in Durban). Even in these circumstances, it may be difficult for low-income residents to find the time and resources to be involved in organized campaigning and de los Rios describes the difficulties faced by tenants' groups in trying to maintain the momentum of their activities in Lima.

The majority of tenants, particularly those living in informal settlements, remain unrepresented. There are very rarely separate tenants' associations in areas which do not have large-scale landlords. Local neighbourhoods often have residents' associations but tenants may not be included equally and they are unlikely to have the same commitment to the organization as those with squatters' rights or legal ownership. The situation of the

land trust at Voi (described by Mwangi) is likely to be typical, with tenants treated as second comers in the allocation of land. In some informal areas, there are very high concentrations of tenants. However, even in these areas it may be difficult for tenants to organize themselves. Wegelin-Schuringa and Kodo note that, if tenants organize to improve their local neighbourhood and to address inadequacies in services and infrastructure, they may simply find their landlords appropriate the improvements or raise the rent. (This paper also raises important issues about how tenants and landlords can work together to address infrastructure improvements and suggests different management systems for public latrines.)

The contribution that strong local movements of tenants can offer to urban development at the level of the city is shown in several of the papers, particularly those considering the roles of FEGIP in Goiania (Barbosa, Cabannes and Morães) and the Organization for Civic Rights in Durban (Mohamed). The significance of these movements is also stressed in the papers by de los Rios, Ramaswamy and Chakravarti, and Thurman). FEGIP have helped some 100,000 urban residents to move out of the rental sector and become land invaders. In some cases, they have worked directly with these residents through their local community organizations. Once land is occupied, FEGIP has helped the community organization to obtain infrastructure and services to consolidate their settlement and improve the quality of the local environment. The Organization for Civic Rights has worked directly with 30,000 tenants, providing legal advice and support for those being threatened with eviction or unsafe living conditions. It has also sought to address policy discussions to ensure that the voice and perspective of tenants are better represented.

These experiences suggest that local tenants' movements have a number of contributions to make for improving the situation of tenants:

- forming policy interventions that make effective and realizable proposals for improving the legislative framework;
- monitoring market conditions and informing interested parties of changes in the

situation faced by tenants;

- providing legal advice and support when individual tenants are threatened; and
- enabling tenants to act together to increase the options that are open to them and to lobby for acceptance of these options by state agencies.

CONCLUSION

MANY LOW-INCOME residents are tenants. For too long, too little attention has been paid to the needs of the many low-income urban dwellers who are tenants. Very few policy and programme interventions have sought to address the needs of tenants and consider how conditions in rental markets can be improved. Much research has concentrated on better understanding the nature of rental accommodation and the rental markets. Whilst these contributions have been important, there is an equal need to better understand how development agencies can help to improve the situation faced by many tenants.

The papers in this issue explore these themes within the context of a few countries. Even within the small number of countries considered here, there is a diversity of situations and a diversity of approaches. For too long, too little attention has been paid to the needs of those living in rented houses. The processes and projects that have been initiated have been too few, on too small a scale and with too few opportunities for sharing and analyzing experiences. This issue of *Environment and Urbanization* seeks to address the last of these needs. It is hoped that many agencies will be encouraged to begin to put into place policies and programmes to better address the needs of tenants and to encourage them to disseminate results in order to support international learning in this area.

In order to better contribute to this objective, one of the authors, Sayed Iqbal Mohamed, offered to become a focal point for an informal group that would take up and further explore these issues. This group will link up to some on-going initiatives, including the Habitat International Coalition (a network of over 300 NGOs dealing with a broad range of housing and urban development issues) and the International Union of Tenants (whose activities are primarily focused in the

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North). His address is Organization of Civil Rights, PO Box 4787, 4000 Durban, South Africa; tel: 27 31 304 6451; fax: 27 31 301 0026.

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