

Nearly one billion people

—one in six on the planet—live as squatters in the world's cities. Within a generation, their ranks are projected to swell to two billion. Then almost half the people living in cities will be squatters. These new urban pioneers come in search of jobs. They can't afford anything on the housing market, so they build homes themselves on land that isn't theirs.

Squatter life is precarious. Most of the world's squatters live in overcrowded shantytowns, or slums. Many squatter communities lack safe drinking water, toilets and sewers, and thus are breeding grounds for disease.

Over time, however, some settlements have been able to install infrastructure as well as housing. Indeed, the world's squatters mix more concrete than any developer, lay more brick than any government, and have created a huge hidden economy. Now, they are starting to recognize their potential political strength.

Slum/Shack Dwellers International is at the forefront of the movement to empower squatters. A network of squatter groups on three continents, S.D.I. grew out of an alliance formed in the mid-1980's by three Indian organizations: the National Slum Dwellers Federation, which has more than 500,000 members in nine Indian states, Mahila Milan, a national network of poor women's organizations begun by Mumbai residents whose pavement dwellings were being demolished by the authorities every 15 days, and the Society for the Promotion of Area Resource Centers. A research organization, SPARC plays a supporting role and provides technical assistance to the other two groups, which are led by poor slum dwellers themselves.

"S.D.I. federations help poor communities develop their own strategies to deal with their problems," says Sheela Patel, who founded SPARC in 1984 and now serves as an adviser to S.D.I.'s board. The goal, she says, is "to build enough power to drive the process of change and influence the management of cities."

Self-reliance is key in squatter communities, and S.D.I. builds on this in its brand of self-help organizing. S.D.I. federations employ three main techniques, all of which place slum dwellers, primarily women, in charge: surveying their communities to create census data, set-

ting up and managing savings and loan collaboratives, and negotiating with government officials to build housing and secure such services as water and sanitation.

Founded in 1996, S.D.I. estimates that its 5.6 million members across 14 countries have amassed nearly \$32 million in savings, helped secure land for 125,000 families and created 79,500 new housing units. In 11 other countries slum dwellers are forming savings groups and building federations with S.D.I.'s help. In addition, S.D.I., a grantee of the Ford Foundation, has emerged as a player in global policy debates, attending international meetings convened by the United Nations and the World Bank. "The aim is to get transnational agencies to invest in urban poverty solutions generated by urban people living in poverty," says Patel.

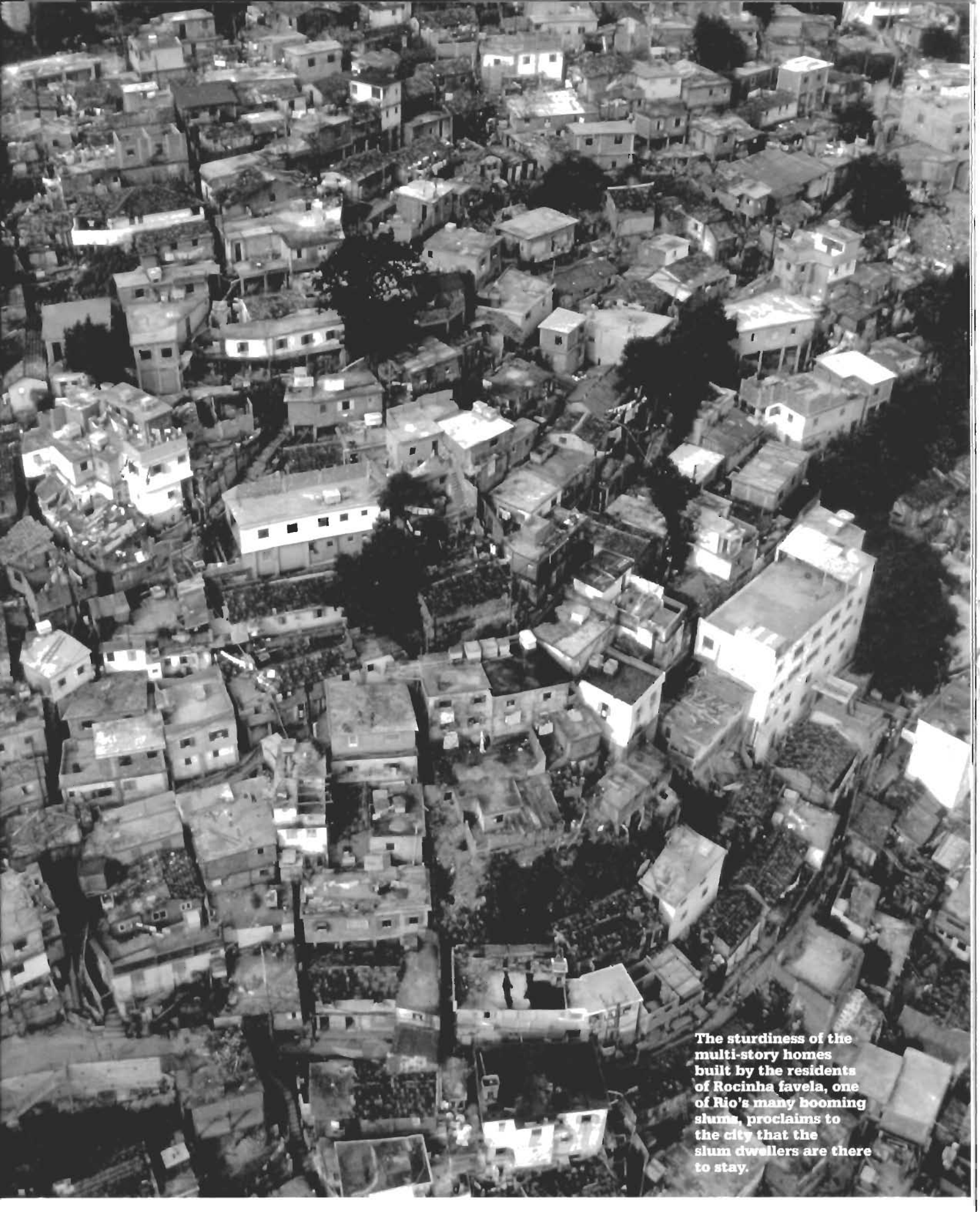
Savings groups create clout

At the local level, one of S.D.I.'s most powerful tools is to create community-controlled pools of capital, explains Jockin Arputham (known as Jockin), who founded the National Slum Dwellers Federation in India and is a trusted leader in the S.D.I. network. A slight man with thinning hair and a sparse gray mustache, Jockin, who also serves as S.D.I.'s president, sits barefoot on the floor behind a low

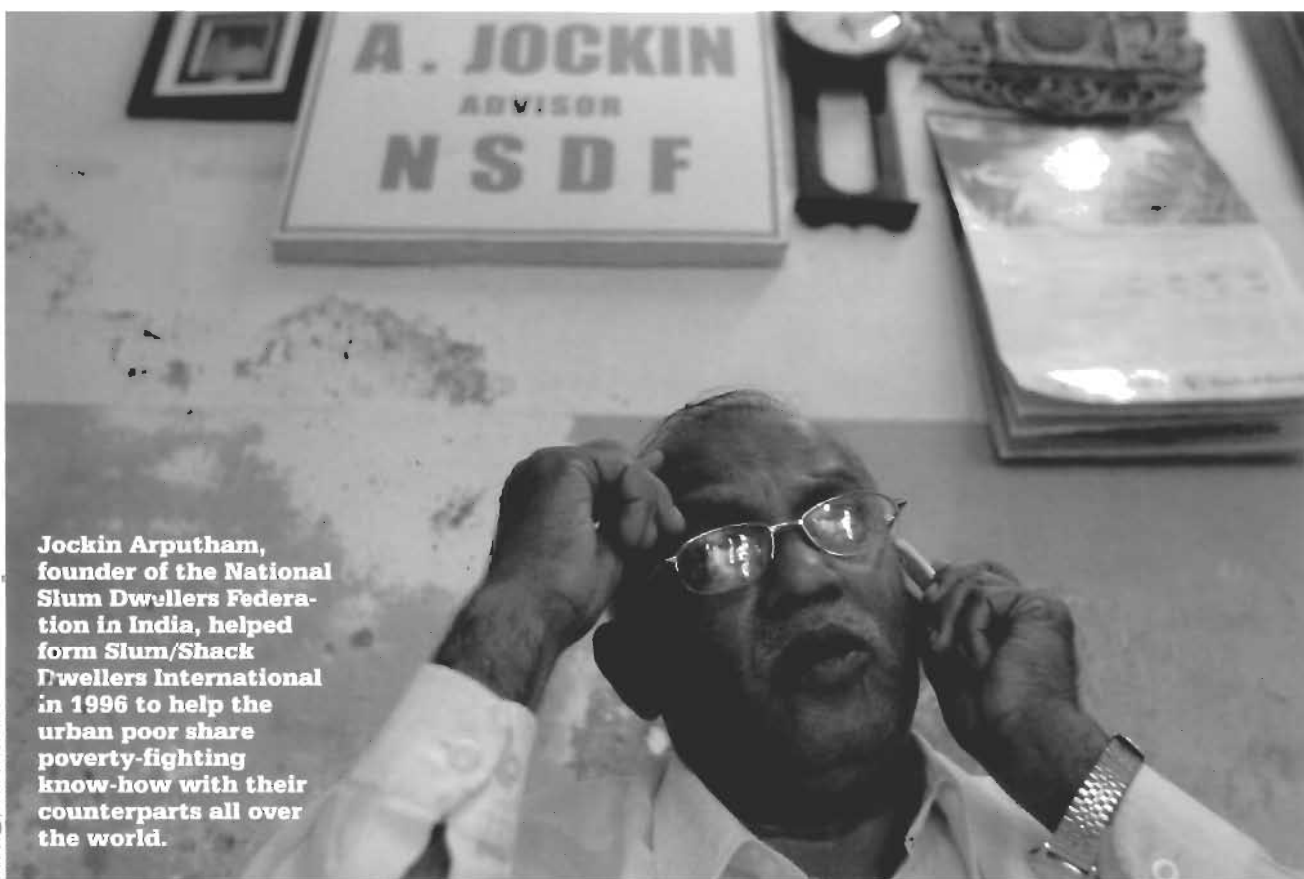
Squatters mix more concrete than any developer and lay more brick than any government.

table in his office, a former garage in Mumbai's Byculla neighborhood. Scores of people line up to seek his counsel. "Through savings, we don't have to demand that the politicians improve living conditions or economic conditions or homes," he says. "We can do what we want to and achieve what we want to. Because of savings, you empower yourself."

Robert Neuwirth is the author of *Shadow Cities: A Billion Squatters, A New Urban World* (Routledge, 2005).



The sturdiness of the multi-story homes built by the residents of Rocinha favela, one of Rio's many booming slums, proclaims to the city that the slum dwellers are there to stay.



Jockin Arputham, founder of the National Slum Dwellers Federation in India, helped form Slum/Shack Dwellers International in 1996 to help the urban poor share poverty-fighting know-how with their counterparts all over the world.

In India, each squatter community in the federation creates a savings association, to which each family can contribute as little as a rupee—about two cents—a day. The pooled money is returned to the community in the form of small business loans or loans to pay for emergency expenses such as medical treatment. The loans generally carry an interest rate of two percent a month, or 24 percent a year—far cheaper than the rate sought by moneylenders, who often charge 60 percent a year or more.

Notably, savings from S.D.I. members (and other donor funds) go to seed new federations by providing base capital for savings groups, says Celine D'Cruz, an S.D.I. coordinator. "The discipline of putting money aside is proof to financial institutions that poor families are capable of saving, taking out loans

and repaying them on time," explains D'Cruz. "It has paved the way for these families to negotiate with financial institutions for long-term housing loans."

In Mumbai, for instance, 380 families who live in improvised wooden shacks on the sidewalks of Byculla, will soon move to new apartments financed in part with members' savings. Each family contributed about 20,000 rupees (\$400) from their earnings. (The women work as domestic helpers and vendors and the men work as loaders and handcart pullers; both also earn money recycling such things as old paper and carpets.) As members of Mahila Milan, the women purchased the land from the state government and, with help from SPARC, secured development loans. The city government is providing the infrastructure and the pavement dwellers are managing the construction.

Life in a Slum

Lacking safe drinking water, toilets, sewers, health care and schools, squatters are at high risk for tuberculosis, malaria and H.I.V./AIDS. They suffer from the stigma of living in a slum—some don't even have a street address—and with the knowledge that they could be evicted at any time.



Kibera slum in Nairobi, Kenya

A similar process is under way across the S.D.I. network. In South Africa, the pooled savings of thousands of squatters won them sufficient standing to negotiate with the government for a progressive housing policy that has already produced 15,000 homes. In Nairobi, several hundred merchants in a squatter marketplace are contributing to a savings plan in order to gain enough power to negotiate with the city council for a title deed.

Jane Weru, who runs the Pamoja Trust, a Kenyan nonprofit aligned with an S.D.I. federation called Muungano wa Wanavijiji, explains that S.D.I. mobilizes communities by conducting neighborhood surveys. In a process that begins with squatters numbering their shacks with chalk, residents help create community maps that indicate homes, toilets, water taps and food sources. The census builds relationships among the squatters and the knowledge they compile becomes a valuable tool, enabling them to present solid data when negotiating with local officials for housing and basic services. Muungano has a national membership of about 25,000, with 200 savings groups, about one-quarter of them in Nairobi.

S.D.I. also engages slum dwellers and sparks the interest of government officials through public events. A recent one modeled squatter-designed housing. The aim, says Weru, is to create an environment in which "community residents dream about what kind of community and house they want."

Slum dwellers go global

From collaborating on housing designs to helping hold policy makers accountable, it is clear that federation members share more than money. Indeed, S.D.I. has pioneered international exchanges in which squatters, themselves, have become development experts. After years of inspiring each other, S.D.I. members began bringing government officials on exchanges, too. They have found that this often convinces officials to take slum-dwellers' ideas seriously.

Some of the most fertile exchanges have taken place between S.D.I.'s Indian and South African federations. In the 1990's, South Africa's post-apartheid government planned to improve the slums by funneling subsidies to developers and contractors. But after Indian squatters attending a workshop in South Africa described the power of giving funds directly to squatter groups, the South Africans grew more confident about their own abilities. They formed a federation and persuaded their land and housing ministers to visit Indian slums to see how Indian slumdwellers had upgraded their housing more cheaply and efficiently than developers could have done. As a result, the South African officials agreed to direct funds to the squatters rather than to outside developers.

Cambodian officials made a similar move. The S.D.I. federation there built up its savings and then approached city and state officials about improvements for the slums. The S.D.I. network arranged for Phnom Penh officials and Cambodian squatters to visit its slum affiliates around the world. Convinced by what they saw, the Cambodian government officials set up a fund that is jointly administered by municipal representatives and slum dwellers themselves.

"Traveling is very important," says Rose Molokoane, national savings coordinator for the 80,000-member South African Homeless People's Federation, and an S.D.I. board member.



JENNIFER M. GORDON

U.N. Recommendations on Urban Poverty

Several S.D.I. leaders served on a task force commissioned by the United Nations to recommend ways to alleviate the poverty, hunger and disease in slums. In its 2005 report, "A Home in the City," the Task Force on Improving the Lives of Slum Dwellers says, "Even though development practitioners tend to focus on rural areas, developing countries face a tremendous challenge—and opportunity—in managing the rapid growth of urban centres."

The task force recommends that, to upgrade existing slums and prevent the formation of new slums, cities:

- Collaborate with organizations of the urban poor.
- Have the power to draw up long-term strategies as well as to deliver services.
- Pass legislation prohibiting forced evictions.
- Invest in housing, water, sanitation, energy and garbage disposal that extends to informal settlements.
- Prioritize transportation systems that give the poorest residents more choices of where to live and work.
- Adopt realistic building codes flexible enough to allow housing built incrementally out of low-cost materials on small plots of land.
- Create jobs by encouraging direct foreign investment in manufacturing and service enterprises and facilitating the transition from the informal to the formal economy.

Generating Tangible Assets

	S.D.I. Members	Savings*	Houses built	Land secured
India	3,000,000 +	\$1,200,000	35,000	75,000 families
South Africa	80,000	\$900,000	15,000	20,000 families
Thailand	2,400,000	\$15,000,000	20,000	8,000 families
Philippines	35,000	\$13,000,000	3,000	2,000 families
Cambodia	10,000	\$100,000	3,000	10,000 families
Nepal	2,500	\$64,000	—	—
Zimbabwe	30,000	\$400,000	1,000	3,000 families
Namibia	16,000	\$700,000	2,000	3,000 families
Kenya	25,000	\$5,000	500	2,000 families
Zambia	500	\$3,000	—	—
Swaziland	2,000	\$4,000	—	—
Madagascar	500	\$2,000	—	—
Sri Lanka	21,000	\$450,000	—	2,000 families
Colombia	500	\$10,000	—	60 families
Totals	5,623,000	\$31,838,000	79,500	125,060 families

Source: Slum/Shack Dwellers International

* Local currency values as adjusted against the U.S. dollar.

From her modest squatter home in Western Pretoria, Molokoane has traveled to Cambodia, Thailand and the Philippines as well as many African nations to share S.D.I.'s methods. Says Molokoane, "The financial power and knowledge that we gain are what keep us going."

In Mumbai, Jockin Arputham says that internationalizing the squatter movement is an effective way to get bureaucrats who control municipal and national policies and finances to listen to poor people. "It's a kind of publicity operation," he says. It allows traditionally disenfranchised poor people "to open a channel to the government."

Shifting development priorities

Across the globe, in the face of government inaction, squatters have taken the lead in building affordable housing. Now, says

Jockin, they must make their voices heard in the halls of power—at the international as well as municipal level—where decisions are made that affect the homes and communities they created. High on the squatter agenda are laws prohibiting forced evictions; gaining access to land, jobs and improved services; and being treated as partners in setting government policy on urban development.

There is cause for optimism. In the late 1990's, international agencies became interested in S.D.I.'s approach. In 2000 the United Nations Center for Human Settlements, now known as U.N. Habitat, invited S.D.I.'s Indian, South African and Filipino affiliates to be their partners in a global campaign for secure tenure. Secure tenure gives slum dwellers a guarantee that they will be permitted to stay put, making it more likely that they will make long-term investments in their homes and businesses.



The Numbers

- **200,000 people arrive in the world's cities every day.**
- **1 in 3 urban dwellers lives in a slum.**
- **40% of them are children under 14.**
- **Nearly half the population of cities in Asia, Africa and Latin America live in illegal settlements.**