Informal settlements in countries with economies in transition in the UNECE region

Dr. Oma Rosenfeld

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Structure of the presentation

1. Aims and objectives
2. Transition and transformation of planning and housing systems in EECCA and the Western Balkans
3. Driving forces of informality
4. Developing typology of informal housing linked to land tenure and tenure security
5. Implications for the development of potential technical guidelines on informal settlements
Aims and objectives


• Global and national efforts towards the eradication of hunger and poverty by promoting secure tenure rights and equitable access to land.

• The technical guide when prepared will aim to assist the implementation of VGGT’s principle of land tenure security through responsible governance.

• The literature review and case study presents the first preparatory step in the development of potential guidelines for informal settlements based on the principles of the VGGTs.

• The review focuses on the UNECE member states with the economies in transition (EECCA and the Western Balkans).
The post-socialist members of the UNECE region entered the transition period in the 1990s, with few or no informal settlements.

Triple transition and comprehensive transformation of spatial planning, land management, and housing systems designed to regulate urban growth under an entirely different socio-economic system.

### Triple Transition

#### Transformation Of Spatial Planning, Land & Housing Systems

<table>
<thead>
<tr>
<th>Pre-transition (pre-1989)</th>
<th>Post-transition (ongoing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socialist: rational, scientific planning</td>
<td>Regulated spatial planning</td>
</tr>
<tr>
<td>Hierarchical system</td>
<td>Decentralized system</td>
</tr>
<tr>
<td>Command (top-down planning)</td>
<td>Participation (bottom-up planning)</td>
</tr>
<tr>
<td>Controlling/planning the economy</td>
<td>Enabling the market</td>
</tr>
<tr>
<td>Public housing</td>
<td>Private housing (including privatization)</td>
</tr>
<tr>
<td>Public supply of housing</td>
<td>Private supply of housing</td>
</tr>
<tr>
<td>Public land</td>
<td>Private land (including land restitution)</td>
</tr>
</tbody>
</table>
Driving forces

**Large-scale migrations**
- Rural to urban (VGGT 10)
- Natural disasters and climate change (VGGT 23, 24)
- Conflicts (VGGT 25)

**Lack of access and affordability of housing**
- Lack of access to housing (VGGT 10)
- Lack of affordable housing (n/a)
- Economic crisis / coping strategies (n/a)

**Policy and legal framework**
- Spatial planning (VGGT 10)
- Land restitution (VGGT 14)
- Legalization of informal settlements (VGGT 5, 10)

**Governance**
- Organizational frameworks (VGGT 5)

**Contextual**
- Speculative development (VGGT 10)
Typology

• In the UNECE region, there is **no formally accepted definition of the term ‘informal settlement’**.

• There is no categorisation or typology that relates specifically to **land tenure or tenure security** which are the focus of the VGGTs.

• The findings suggest that the typology developed for selected countries of the Global South is not readily applicable.

• UNECE (2009) stressed that ‘informal settlements’ in the UNECE region rarely resemble slums. The key characteristic of ‘informal settlements’ in the eastern part of the UNECE region is that they are urban developments that, in one way or another, **break the rules of the existing statutory, formal systems**.

• **This research developed a categorisation of ‘informal settlements’ in counties with economies in transition to inform the development of possible technical guidelines for informal settlements.**
## Typology

### Tenure Security Assessment Method

#### Rights

<table>
<thead>
<tr>
<th>Use (property)</th>
<th>De jure</th>
<th>De facto</th>
<th>Explanation (de facto)</th>
<th>Control group: Legal freeholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

| Occupy         | Yes     | Yes      |                        | Yes                            |

| Restrict others| Yes     | Yes      | Legally, a person endangering the personal safety of the other (irrelevant of the legal status of property) can be brought to court. | Yes                            |

| Buy/Transfer/Dispose | Possible | Possible | Based on land title (see section on Urban Land Conversion). | Yes                            |

| Inherit          | Yes     | Yes      | Based on land title.                                      | Yes                            |

| Develop/improve  | No      | Yes      | No. One should not develop on non-urban land. De facto, yes depending on the income. | Yes                            |

| Sublet           | No      | Possible | Yes, sublets are in the unregistered rental sector.       | Yes                            |

| Access services  | No      | Possible | Connections may be negotiated with partial documentation. (2) in some cases the cadastral records were not consulted when legally connecting infrastructure. | Yes                            |

| Access formal credit | Yes*    | Yes*     | Access to credit depends on the income of the owner.     | Yes                            |

| Access home insurance | Yes     | Yes      | Legalization and extract from the cadastral are not needed to get home insurance. Possible with some partial proof of ownership. | Yes                            |

| Natural Disasters | No      | No*      | Theoretically yes, but difficult to prove the existence of the property with no records or partial records (notary office). | Yes                            |

| Home restitution (War) | No      | No       | Fast-track legalization procedure for the illegally built property may be used (subject to availability and approval, possibility of land use conversion from rural to urban). | Yes                            |

| Compensation (expropriation) | No      | Possible |                        | Yes                            |
Legal title to land and property – unauthorized adaptations

Minor adaptations to existing structures without building permission (e.g. closing balconies, addition of one to two rooms in an existing attic). Turning existing premises into living areas (e.g. turning garages into living areas, turning basements into living areas); turning former common spaces (e.g. laundry rooms) into living areas, without a building permit.

Structural changes to existing buildings, e.g. lateral extensions of apartments in multi-family buildings, additions of floors on existing multi-family buildings.
Construction on own land following the existing plans and regulations but without an actual permit (in cases where a detailed master plan exists).

Construction without a permit on own land in excess of existing plans.

Construction with a permit on own land, but unauthorized changes to approved plans, building in excess of officially approved permit (e.g. building a multi-storey building instead of the approved family home).
Legal title to land - unauthorised subdivisions and unauthorised construction

Legal title to land, but illegal change of land use (e.g. agricultural land/residential buildings) involving illegal subdivisions of land (selling thereof to a different owner). Housing built without building permission.

Public land or rural land subdivided and given (or sold at market price) by the local authority itself to im/migrants coming to the city, but without a change in the plans.

Construction without a permit on land with unclear title to land (e.g. unclarified or unresolved process of land restitution).
No legal title to land - unauthorised construction

Illegal land occupation, housing without planning/building permission, not integrated in the broader urban system (relatively good living standards).

Building in protected zones: national parks, natural reserves, coastal areas, protection areas (e.g. highways, industrial, flood barriers etc.).

The development is fuelled by domestic as well as foreign investment (no building licence).
No legal title to land - squatter settlements

Unauthorized shacks made in unserviced areas by the low- or no-income population (e.g. Roma population).

Unauthorized homes built by im/migrants settling in unserviced areas.

De facto tenure security low
Illegal rental tenure

Medium- and long-term rents in the informal sector belonging to categories all discussed categories.

Informal agreements between the landlord and tenant (rented per room, or entire apartment/home); non-registered/non taxed.

De facto tenure security low
Temporary legal residence

Temporary legal residence for populations displaced because of natural or man-made disasters. There are generally three categories within this type: 1) custom-built collective accommodation centres (e.g. for refugees/IDPs); 2) temporary accommodation consisting of tent camps and prefabricated temporary houses; and 3) temporary accommodation in buildings not built for residential purposes (e.g. public buildings, former hotels, schools).
Locations of informal developments in EECCA and the Western Balkans vary from inner cities to suburban areas, nature reserves, rural areas, protected and contaminated land.

There is a need to reassess the continued use of the term ‘informal settlements’. The examples from the region suggest that the informal building does not always form ‘settlements’. The term informal housing or extra-legal construction may be more appropriate.

Living in informal settlement does not equal de facto tenure insecurity.

Living in informal housing does not necessarily equal poverty, exclusion or marginalisation.

<table>
<thead>
<tr>
<th>No income</th>
<th>High Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slums</td>
<td>Luxury and second homes</td>
</tr>
<tr>
<td>De facto low tenure security</td>
<td>De facto high tenure security</td>
</tr>
</tbody>
</table>
Implications for the development of potential technical guidelines on informal settlements

I. Information and data on informal settlements in EECCA and the Western Balkans

The majority of literature focuses on the informal settlements in the Global South, UNECE region is under-researched.

The future technical guidelines should take into account a wide variety of the types of informal housing that may coexist, within one settlement (as well as with or on legal housing).

The critical matters of spatial planning, policy development, transition of housing production systems must be taken into account when examining the informal housing in the UNECE region.

II. Selective legalisation

It is deemed important that the future interventions have the capacity to target those in greatest need, while being able to devise a proportionate penalty for those who have been known to use the informal sector to secure profit and deliberately avoid meeting responsibilities of legal owners.

Provisions of the UN Geneva Charter for Sustainable Housing should be followed.
Implications for the development of potential technical guidelines on informal settlements

III. Lack of tenure security that cannot be tackled by legalisation of informal settlements

There is a need to address issue of targeting residents who are in need for tenure security but are not eligible for legalisation. For example, residents living in low quality housing, squats, resident without address or city registration, residents living in overcrowded conditions, residents living as informal tenants.

IV. Lack of access to affordable housing

The lack of access to affordable and social housing is a critical issue. The policies and provision of social and affordable housing should be advanced. However, if informal settlement interventions are to be efficient and sustainable, the ‘achievements’ and capacity of the informal sector to deliver affordable housing must be appreciated.
Implications for the development of potential technical guidelines on informal settlements

V. Assessment of the existing initiatives

• The development of TGs should take into consideration ongoing national initiatives (regularization/legalization).

**LEGALIZATION OF INFORMAL SETTLEMENTS IN EECCA AND THE WESTERN BALKANS**

- No legalization
- Law on legalization in development
- Law on legalization in early stage of implementation
- Law on legalization in advanced stage of implementation
- Successive laws on legalization (more than a decade)

• Assessment of existing technical, financial political and administrative challenges is of vital importance.
Implications for the development of potential technical guidelines on informal settlements

VI. Integration of the initiatives, policies and disciplines

While significant progress has been made in terms of legislation for the formalization of informal settlements (in the Western Balkans and selected EECCA countries), the integration of laws on legalization of informal housing with other laws and policies could still be improved. While legalization of informal housing and may improve security of tenure (provided that the title is secured and of value), legalization of informal housing should be considered only as one of a series of reforms required to achieve tenure security and access to adequate housing.

To achieve efficient and long-lasting results in order to combat the remaining challenges of informal settlements and tenure insecurity, alternative measurements are needed, such as: skilled institutional capacities of the public sector, proper and adequate distribution of financial resources at central and local levels, empowerment of local tenant associations, neighbourhood organizations, education and trainings of builders from the informal sector, and finally, complete integration of informal settlements into the regular planning system.
Thank you!

Dr. Orna Rosenfeld
### Key characteristics of informal housing (case study)

<table>
<thead>
<tr>
<th>Type of housing need/demand</th>
<th>Basic housing need</th>
<th>Opportunistic/Speculative development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of illegality</td>
<td>No building permit but respecting some regulations.</td>
<td>With building permit, not respecting regulations</td>
</tr>
<tr>
<td>Developers of illegal housing</td>
<td>Common people</td>
<td>Powerful actors</td>
</tr>
<tr>
<td>Key actors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect on urban development</td>
<td>Informal settlements on the periphery of the city</td>
<td>Luxury homes</td>
</tr>
<tr>
<td></td>
<td>Adaptations and additions</td>
<td>Exceeding building permits and regulations</td>
</tr>
</tbody>
</table>