

**Joint Center for Housing Studies
Harvard University**

What To Do About Slums?

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June 2012

W12-3

Abdul Baasit Abdul Aziz is the 2009 recipient of the John R. Meyer Dissertation Fellowship

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Any opinions expressed are those of the author and not those of the Joint Center for Housing Studies of Harvard University or of any of the persons or organizations providing support to the Joint Center for Housing Studies.

Acknowledgements

I would like to thank the Joint Center for Housing Studies of Harvard University for awarding me the John R. Meyer Dissertation Fellowship. I also thank Eric Belsky, the Managing Director of the Center, for helping me conceptualize this paper. I thank Christopher Herbert and Jennifer Molinsky for the painstaking and rigorous editorial work done on the paper, and for their support and guidance in the writing of this paper. Finally, I express my profound thanks to all the staff of the Center, particularly Jackie Hernandez, for their encouragement. The views expressed in this paper are mine, and not those of the Center or any person or organization associated with the Center. I take responsibility for all errors and/or omissions.

Abstract

Slum development models and strategies tend to assume a needs-based outlook, focusing on what specific slums lack. In this paper, I argue instead for an asset-based approach to slum development, employing insights from the seminal work of Kretzmann and McNight, which rests on the idea that physical, social, human, and other assets can all be brought to bear to improve slums. I engage at a theoretical level the possible uses of land policy, regulation, transfers, taxation, and other specific strategies to promote an asset-based approach to slum development, and then employ the example of the slum of Nima in Ghana to illustrate how an asset-based approach to slum development might work in practice. I argue that the shift to an asset-based approach can produce positive neighborhood effects, enable slums to overcome negative perceptions, and generate additional support for slum redevelopment efforts while seeking to encourage slum dwellers to take co-responsibility for improving their welfare. From this standpoint, the conception of slums as assets is not only part of the process of creating enabling conditions in slums, it is also a diagnostic and analytical framework for identifying effective entry points in slum development programs.

1. Introduction

Virtually all major cities of the Global South have slums. From the favelas of Brazil to the Kibera of Kenya, slums seem to represent an enormous exception to the general progress made in reducing poverty over the decades.¹ And the slum statistics are staggering! According to UN-HABITAT approximately one billion persons in the world live in slums, including over 820 million persons in cities of the Global South.² Furthermore, estimates at the turn of the 21st century suggest that by 2025 about 60 percent of the population of countries in the Global South will reside in towns and cities, and significant portions of city residents will live in slums. While there is hardly any immediate relief in sight, the slum problem has been described as “perhaps, the crucial geo-political event of our time.”³

International development efforts, in response to what is potentially if not already an explosive situation, have begun once again to pay close attention to slums in anti-poverty programs.⁴

¹ While the number of persons living in the world below the poverty line of \$1.00 US has fallen over the decades, in other regions of the world the number of people living on less than \$1.00 US has risen. See, <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,contentMDK:22569498~pagePK:148956~piPK:216618~theSitePK:336992,00.html>. Last accessed on November 20, 2010.

² UN Habitat, *State of the World's Cities*, 2006/7 (New York: United Nations). See, <http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=210>. Last accessed on March 19, 2010.

³ Slavoj Zizek, “The Free World...of Slums,” *In These Times* (September 23, 2004) at <http://www.inthesetimes.com/article/1090/>. Last visited on December 20, 2010.

⁴ In the 1970s, slums were the focus of anti-poverty programs of international financial institutions such as the World Bank. For example, in 1973 the World Bank president, Robert McNamara, in launching the Bank's shelter assistance programs, ominously noted that, “If cities do not begin to deal more constructively with poverty, poverty may begin to deal more destructively with cities.” Guided by this concern, the bulk of World Bank shelter lending from the 1970s to the mid-1990s went to support low-income housing. As noted by Robert M. Buckley and Jerry Kalarickal, this trend changed in the 2000s such that by the mid-2000s “a much smaller share of [World Bank shelter] lending now goes to support low-income housing.” See Robert M. Buckley and Jerry Kalarickal (eds.), *Thirty Years of World Bank Shelter Lending: What We Have Learned?* (Washington DC: World Bank, 2006). Significantly, since the year 2000 there has been a renewed international focus on poverty and slums. In 2000 the General Assembly of the United Nations adopted the Millennium Declaration, by which the international community pledged to “spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty.” See *United Nations General Assembly Resolution 2 session 55; United Nations Millennium Declaration* of 8 September 2000. Since then there have been other resolutions and efforts aimed at achieving the goals in the Declaration. In 2002, the UN commissioned the Millennium Project “to develop a concrete action plan for the world to achieve the Millennium Development Goals and to reverse the grinding poverty, hunger and disease affecting billions of people.” See <http://www.unmillenniumproject.org/>, accessed on March 19, 2010. Under the auspices of this project, the Millennium Cities Initiative has been launched

Consequently, slums, the symbolic face of urban poverty, are basking in attention. As laboratories of research, slums are being unpacked, dissected, and studied in minute detail, in the pursuit of ideas to mitigate extreme poverty.⁵ The concern that slums can destabilize urban areas and the explicit recognition that slums, at least in some countries, will remain a long-lasting feature of the urban order have led to a renewed quest for ideas for slum development. These ideas, on a broad scale, reflect two distinct but interrelated justifications for the state to intervene in slums: an individual welfare rationale which focuses on the cost slums impose on slum dwellers,⁶ and a social cost consideration which concentrates on the cost slums impose on non-slum dwellers and cities at large.⁷ In reality, much of the justification for slum development comprises a mishmash of social-cost and welfare arguments.⁸

Generally, slum development models and strategies tend to assume a needs-based outlook that focuses on what specific slums lack. The standard view is that by focusing primarily on what slums need (for example, water and sewer facilities), and by seeking to provide for these needs, it is hoped that living conditions in slums can be improved on a sustainable basis.⁹ However, while the predominate approach to slums used by many countries and international development agencies is a needs-based approach, there is little evidence it leads to sustainable improvements in the life chances of slum dwellers. What is more, the provision of infrastructure in a slum to improve the welfare of slum dwellers may trigger gentrification, leading to the displacement of

to “help a number of cities across sub-Saharan Africa complete the urban transformation essential to sustainable development and to attaining the Millennium Development Goals.” Recently, Accra, the capital of Ghana, was declared a Millennium City. Under this initiative a number of slums in Accra, including Nima, are to undergo an economic transformation through the stimulation of “the business and investment climate.” See, <http://news.peacefonline.com/news/201001/36628.php>.” Last accessed on March 19, 2010.

⁵ On the literature on slums, see Mike Davis, “Planet of slums: Urban involution and the informal proletariat,” *New Left Review* 26, pp. 5-34; S. Gulyani and D. Talukdar, “Slum Real Estate: The Low-Quality High-Price Puzzle in Nairobi’s Slum Rental Market and its Implications for Theory and Practice,” *World Development*, 36:10 (October 2008); Sumila Gulyani and Ellen M Bassett, “Retrieving the baby from the bathwater: slum upgrading in Sub-Saharan Africa,” *Environment and Planning C: Government and Policy* 25 (2007) p. 486; and George Owusu, Samuel Agyei-Mensah, and Ragnhild Lund, “Slums of hope and slums of despair: Mobility and livelihoods in Nima, Accra,” *Norwegian Journal of Geography* 62 (2008), pp. 180-190.

⁶ Lawrence Friedman, *Government and Slum Housing: A Century of Frustration* (Chicago: Rand McNally and Company, 1968), pp. 4-8.

⁷ *Id.*

⁸ *Id.*

⁹ John P. Kretzmann and John L. McKnight, *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community’s Assets* (Evanston, IL: Center for Urban Affairs and Policy, 1993), p. 1.

slum dwellers or a downward spiral as more poor persons move into the revitalized slum, leading to congestion in the slum. Second, a needs-based approach tends to be only ameliorative as it focuses on a one-time income transfer or investment in slums. Third, it tends to generate an “outside-in” framework for creating and expanding choices and opportunities for a tolerable life in slums.¹⁰ Instead of a hand up, it leads to the provision of handouts to slum communities, and thus often fails to mobilize physical, human, and, social resources within slums to improve conditions on a sustainable basis.¹¹ Finally, a needs-based approach is likely to pay little attention to structural or systematic blockage of opportunities for slum dwellers. Because of these limitations, and by paying little attention to questions of institutional sustainability and distributive outcomes, the needs-based approach tends to be essentially ameliorative instead of transformative.

Due to the limitations of the needs-based approaches to slum development, in this paper, I employ insights from the seminal work of Kretzmann and McKnight, which rests on the idea that physical, social, human, and other assets can all be brought to bear to improve slums, to argue for an asset-based approach to slum development, with a particular eye on the Nima slum in Ghana. An asset-based approach focuses on identifying and mapping assets within a slum, and then enhancing the value of these assets to improve the life chances of slum dwellers through a number of concepts, ideas, and strategies including titling, subsidies, tax incentives, and legal and urban planning tools such as development exactions, code enforcement, rent control, and the exercise of the power of eminent domain. Essentially, assets are anything of value that can be used to aid slum development efforts. As conceptualized by Kretzmann and McKnight, two key insights emerge from the asset-based approach. The first is that a focus on assets implies that institutional arrangements and other tools can be deployed to enhance slum resources for slum dwellers to accumulate further assets. The second key insight is that poor communities are not necessarily without assets. That is to say, when the notion of assets is not confined to income, but instead includes a community’s political power, its organizations, and its labor force, a spectrum of possibilities open up for the development of slums. From this premise, I will also argue that one missing link in the efforts to transform slums has been the scarcity of attempts at exploring

¹⁰ *Id.*

¹¹ *Id.*

how strategies and institutional innovations developed in diverse literature in the West, especially the US, for revitalizing distressed neighborhoods can be adopted and adapted to improve slums in many countries of the Global South.

An asset-based approach anticipates a programmatic orientation in slum development, meaning one based on a coherent and integrated set of programs rather than an individual project.

According to Kretzmann and McKnight, asset-based community development consists of five steps: (1) community asset-mapping, (2) building relationships, (3) mobilizing community assets for information sharing and economic development, (4) convening a community representative group to develop a community vision and plan, and (5) leveraging community and external resources to support community development efforts.¹² Despite the immense contribution of Kretzmann and McKnight to the conceptual elucidation of an asset-based approach to community development, it is worth noting that the focus on assets in improving the life chances of the poor did not originate from Kretzmann and McKnight. In 1991, two years before the publication of Kretzmann and McKnight's book on asset-based development, Michael Sherraden in the US had argued for a paradigm shift in US welfare policy.¹³ Sherraden had argued that instead of focusing on income maintenance for the poor, welfare policy should center on asset accumulation for the poor to provide them increased income/savings and stability.¹⁴ To achieve this, it was necessary for policymakers to remove the "legal and social impediments to [asset] accumulation."¹⁵

Seven years after the publication of Kretzmann and McKnight's book on asset-based development, Hernando de Soto had also expressed similar insights in the context of land titling when he argued that the assets the poor possessed often could not be put to work, that is turned into capital, because they were "dead;" in the context of land, meaning held informally without formal title.¹⁶ The inadequate utilization of these untitled assets affected not only the holder of

¹² *Id.*

¹³ Michael Sherraden, *Assets and the Poor: A New American Welfare Policy* (Armonk, NY: M.E Sharpe Inc., 1991), pp. 16-18 and 123-124.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Carnegie Council on Ethics and International Affairs, c. 2002).

the assets but also the general economy as it led to less capital in the economy. To capitalize the poor, the informal or extra-legal land interests of the poor should be formalized or the state should legalize and formalize illegal land occupations by the poor to provide them sources of capital. For example, when the state grants title to slum dwellers who do not have title to slum lands, these slum dwellers can enter into market transactions using their titles to secure credit to improve their living conditions. Retsinas and Belsky have demonstrated how access to credit and the use of regulatory interventions can remove legal and social obstacles to asset accumulation by the poor in the form of housing wealth in the US.¹⁷ Furthermore, efforts to capitalize the poor have led to the establishment and promotion of microfinance schemes as asset-enhancement tools for the poor.

Considered in the light of the broad efforts to improve the conditions of the poor, and thus reduce asset or wealth inequality, Kretzmann and McKnight's asset-based framework has three main advantages. First, it provides a comprehensive paradigm for slum development. Within this paradigm, other strategies and models for slum development, such as de Soto's notion of titling, microfinance, and the deployment of legal and urban planning tools to enhance asset accumulation for the poor, become tools within the toolkit of asset-based slum development. That is, they become part of the process of "leveraging [slum] community and external resources to support [slum] development efforts."¹⁸ Second, this framework looks beyond a narrow economic understanding of assets that is limited to income. Instead, it extends the notion of assets to cover social, political, and other non-financial assets. It is worth noting that the greatest asset of a slum may be its human capital—an asset that can be enhanced through the strategy of employment provision for slum dwellers. Finally, asset-based development suggests that slum development programs need to pay attention to the distributive effects of slum interventions in that not all interventions will accrue to the benefit of slum dwellers.

To explore these ideas further, this paper is organized in seven sections including this introduction. In Section 2, I present an overview of slums, urban change, and globalization to establish the context for the paper. This section also explores some of the relationships between

¹⁷ Nicholas P. Retsinas and Eric S. Belsky (eds.), *Low-Income Homeownership: Examining the Unexamined Goal* (Washington, DC: Brookings Institution Press, 2002).

¹⁸ Kretzmann and McKnight, *supra* note 9, at p. 345.

urban change, globalization, and slum formation with specific reference to Ghana. In Section 3, I provide a brief description of the slum of Nima in Ghana to concretize the discussion of slums thus far. Section 4 considers theoretical debates and specific models for slum development within an asset-based approach to slum development. By models of slum development, I mean a coherent set of ideas or steps for thinking about and executing slum development. As noted already, these models may be underpinned and shaped by a social-cost or welfare justification for slum development.¹⁹ Section 5 engages at a theoretical level the possible uses of land policy, regulation, transfers, taxation, and other specific strategies to promote an asset-based approach to slum development. Section 6 uses the slum of Nima in Ghana in a brief thought experiment to illustrate how an asset-based approach to slum development may work. Finally, in the Conclusion (Section 7), I pull the strands of my argument together.

2. Slums, Urban Change, and Globalization

There is nothing mysterious about the unprecedented growth in slums in recent times. Slums have formed in urban centers because their inhabitants cannot afford good housing at market prices and because governments are unable to subsidize shelter to levels affordable to large segments of their citizens, including slum residents.²⁰ Thus housing affordability constitutes one of the primary reasons some persons choose to live in slums.²¹ The economic system that drives the construction and availability of decent shelter operates to exclude those without adequate income from the formal housing market. The slum problem has been exacerbated by both local and global factors, particularly population growth, and the processes of urban change and globalization. In terms of local factors, policies adopted by many countries in the Global South in the 1950s and 1960s sought to promote massive urbanization as an essential component of their modernization drives.²² In line with the dominant economic model of the time, import substitution industrialization programs were pursued, creating industrial clusters in the urban

¹⁹ Friedman, *supra* note 6.

²⁰ Charles Abrams, *The Future of Housing* (New York and London: Harper Brothers, 1946), pp. 20-21. See also, Alexei Barrionuevo, "Conflict Over Squatters Divides Argentina," *New York Times*, December 26, 2010.

²¹ *Id.*

²² With specific reference to Ghana, see Jacob Songsore, *Towards a Better Understanding of Urban Change: Urbanization, National Development and Inequality in Ghana* (Accra: Ghana Universities Press, 2003).

centers and resulting in labor migration from other places to the urban areas. These policies led to the swelling up of the city population in many of these countries.²³

For some of these countries, another wave of urbanization started in the 1980s and continued into the early 1990s.²⁴ During that period, following economic decline and the failure of import substitution industrialization, the adoption of structural adjustment and economic recovery programs of the International Monetary Fund and the World Bank led to fiscal tightening. As a result, many governments cut social expenditures as part of a regimen of fiscal consolidation.²⁵ In addition, economic globalization led to cheap agricultural imports which collapsed uncompetitive rural agriculture. Together, the neglect of the countryside and the apparent collapse of rural economies forced many rural folks to migrate to urban centers.²⁶

Over time, trade liberalization in line with World Bank dictates intending to liberalize these countries' economies brought in foreign direct investments. Further relaxation in exchange control rules increased the scale of remittances into these countries from their citizens abroad. Together foreign direct investment and surging remittances generated massive cash inflows into the Global South. With immovable property as the major means of investment, and one of the few readily available hedges against rampant inflation, many cities experienced a massive surge in land prices. Demand for land also came from businesses both foreign and local that wanted to set up in urban centers. Moreover, trade liberalization brought in new businesses in tourism and the service industry, expanding trading activities in the informal sector in the urban economy, thus attracting more persons to the urban centers. The demand for and investments in land and housing created concentrations of affluence in the urban centers together with pockets of concentrated poverty for those priced out of the formal housing market.²⁷ Generally, and in physical terms, slums are spontaneous but ugly, dense, and congested communities of self-built or informally-built homes characterized by unplanned neighborhoods, poor facilities, and lack of basic infrastructure, including clean water and decent sanitation. Some slums are regular

²³ *Id.*

²⁴ *Id.*

²⁵ World Bank, *Annual Report* (Washington, DC: World Bank, 1992).

²⁶ Songsore, *supra* note 22.

²⁷ Alex Boakye Asiedu and Godwin Arku, "The Rise of Gated Housing Estates in Ghana: Empirical Insights from Three Communities in Metropolitan Accra," *Journal of Housing and the Built Environment* 24 (2009), pp. 227-247.

neighborhoods that have deteriorated over time due to official neglect and the influx of migrants beyond the capacity of the neighborhood to bear.²⁸ As places of sub-standard housing, they are often located on peripheral land that was until recently “undesirable because it was swampy or hilly, close to polluting uses, or subject to flooding, and therefore more expensive to develop for middle or upper income uses than other land, often nearby.”²⁹ Also, they may be located in close proximity to “middle-income and/or upper-income neighborhoods, to the original commercial center, and to whatever industrial sites existed.”³⁰

In legal terms, slum settlements are often unauthorized and “illegal” for violating zoning, fire, and planning regulations and land and criminal laws. Residents lack security of tenure since often they have trespassed on the land, exposing them to the threat of forced evictions and punishment for violation of criminal laws. Because of insecure tenure, slum residents are vulnerable to actions for recovery of possession of slum lands. What is more, where they have title, often the titles are not formalized and registered to accord effective protection of the law. Furthermore, the squalor in slums exposes slum residents to actions for breaching sanitation and public health laws. Needless to say, virtually all slums violate public health and sanitary regulations. The shadow of illegality that surrounds these settlements further compounds the situation as public authorities see it as condoning illegality to extend public services, such as policing, to such settlements. Living in “illegal cities” in more respects than one, slum residents may have little or no motivation for any capital investments in their dwelling units as they continue to live under the shadow of the law. That is to say, despite the general view that the law should command the obedience of all persons, slum dwellers tend to operate outside the formal requirements of the law, and often are ignored by the law and policymakers and city officials, who sometimes threaten them with forced evictions from slum lands.³¹ Therefore, the designation or tagging of a place as a slum sets in motion a chain reaction of official neglect,

²⁸ Owusu et al., *supra* note 5.

²⁹ Duncan Kennedy, “Commentary on Anti Eviction and Development in the Global South,” in Lucie White and Jeremy Perelman (eds.), *Stones of Hope: How African Activists Reclaim Human Rights to Challenge Global Poverty* (Stanford, CA: Stanford University Press, 2010), pp. 41-50.

³⁰ *Id.*

³¹ Edesio Fernandes and Raquel Rolnik, “Law and Urban Change in Brazil.” in Edesio Fernandes and Ann Varley (eds.), *Illegal Cities: Law and Urban Change in Developing Countries* (London and New York: Zed Books, 1998), pp. 141-151.

disinvestment, and possible threats of forcible evictions leading to a further deterioration and worsening in slum living conditions.

Whereas slums suffer from massive legal vulnerabilities, ironically the legal regime may grant rights and privileges to slum residents, who may acquire occupancy “rights,” entitling slum residents to a relocation allowance when they are forcibly evicted from slums. Furthermore, slum dwellers who have stayed long enough could assert a claim in adverse possession against the owners of slum lands. Additionally, in recent times, because of the almost hegemonic status of human rights, charges of breaches of human rights violations likely accompany any efforts to forcibly clear slums.³² Indeed, as one slum expert notes, slum occupancy has potentially become a tradable asset, a leverage that slum dwellers possess to negotiate their stay in slums and the terms of their relocation.³³

Aside from spatial and legal terms, slums can also be described in social, political, and economic terms. What is remarkable, however, are the changing faces of slums. In the past, a common view was that a slum was the “home of the poor and the stranger,”³⁴ a place where people of a certain social and economic class lived and exerted immense social cost on surrounding communities.³⁵ There was a strong sense that slums were economic and social leaches as slum residents did not “participate directly in the economic and social life of the city.”³⁶ While this description still holds true in part today, it has been established that persons belonging to different economic classes live in slums, from the university graduate to the small-scale entrepreneur to the pauper. Contrary to the once-dominant view that slums are leaches, slums are now recognized as important sources of labor supply and loci of economic activities. As the 2010 UN-HABITAT report on the state of African cities indicates, people live in slum for different reasons. For some, it is a survival strategy as they can only afford to live in slums. For others, it

³² See the UN Human Rights Commission *Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living*, Annex 1 on “Basic Principles and Guidelines on Development-Based Evictions and Displacement,” A/HRC/4/18, http://www2.ohchr.org/english/issues/housing/docs/guidelines_en.pdf. Last accessed on December 20, 2010.

³³ D. Smith, “Housing the World's Poor: The Four Essential Roles of Government,” *Harvard International Review* (2006).

³⁴ Friedman, *supra* note 6, at pp. 3-7.

³⁵ *Id.*

³⁶ *Id.*

is a livelihood strategy as they benefit economically from living or working in slums.³⁷ Although the social image of slums is still negative, the economic picture is not as gloomy. A number of studies and reports have established that a broad range of economic activities take place in slums.³⁸ A recent study in Kenya found that in 2004 the slums of Kibera generated over \$31 million in annual rents from slum tenants.³⁹

Again, it was once declared that slum residents had no civilized political culture. They had “no neighborhood life...no watchfulness over common interests”⁴⁰ and were a source of political corruption.⁴¹ New studies have challenged this description of slums. Yet it is still a fact that slums in general have a bad image. Serving sometimes as havens for criminals and other social miscreants, breeding grounds for disease and epidemics,⁴² centers for drug trafficking, and as illegal centers for wealth extraction,⁴³ slums elicit immense social disapproval in many countries. It is therefore not surprising that for many people in the Global South, slums constitute an eyesore and it would be best if they just went away.

However, slum dwellers, depending on the size of their populations, have become active political players. With the onset of democratic governance in many countries of the Global South, voting has accorded slum residents immense political assets. In some cases slum residents have overcome collective action problems, and have banded together to make claims on political authorities for decent housing.⁴⁴ Participation in political life through voting and other forms of political and social causes has increased civic consciousness and political activism in many slums.⁴⁵

³⁷ UN-HABITAT, *The State of African Cities, 2010: Governance, Inequality and Urban Land Markets* (Nairobi: United Nations, 2010).

³⁸ With specific reference to Ghana, see Keith Hart, “Informal Income Opportunities and Urban Employment in Ghana,” *The Journal of Modern African Studies* 11:1 (1973), pp. 61-89.

³⁹ Gulyani and Talukdar, *supra* note 5.

⁴⁰ Friedman, *supra* note 6, at pp. 3-7. *Id.*

⁴¹ *Id.*

⁴² Smith, *supra* note 33.

⁴³ *Id.*

⁴⁴ Felix Morka, “A Place to Live,” in White and Perelman (eds.), *supra* note 29, pp. 17-41.

⁴⁵ *Id.*

3. A Brief Description of the Slums of Nima in Ghana

As already noted, an asset-based framework for slum development uses an expanded notion of slum community assets. In this vein, my description of Nima will seek to describe conditions in Nima and also map some of the physical, economic, political, and social assets in Nima.

Therefore, this Part offers a brief analytical description of the slums of Nima in Ghana, for the purpose of later illustrating how an asset-based approach to slum development is likely to play out in specific slums.

Nima is located about 5 miles from the central business district in Accra, the administrative and political capital of Ghana. Starting as a pasturing ground for the cattle of the rich Futa family, Nima became a coveted residential place with the expansion of Accra in the 1940s at the outset of the Second World War.⁴⁶ Subsequent developments, including the return of troops from the World War, migration of people from Northern Ghana and other parts of West Africa in search of wage labor in Accra, low rents, as well as the development of high- and middle-class neighborhoods at the boundaries of Nima, ensured an explosion in the population of this slum.

Table 1: Population growth and density characteristics of Nima

Year	Population	As Percent of Accra Population	Land Area Size (ha)	Number of People Per ha
1960	29,797	7.65	158.8	188.59
1970	52,270	8.20	158.8	330.82
1984	52,906	5.46	158.8	334.85
2000	69,044	4.16	158.8	437.00

*Source: Based on Yankson.*⁴⁷

With an estimated population of about 69,000 in 2000, the population of Nima has increased dramatically from the 1960 figure of 29,797 people, occupying 158.8 ha of land (Table 1). It contains a heterogeneous ethnic make-up with a variety of languages, social structures, and occupational patterns. Because a high percentage of residents lack formal education and have

⁴⁶ Owusu et al., *supra* note 5.

⁴⁷ *Id.*

lower-status occupations, there are limited possibilities for sharp increases in incomes for the bulk of residents. Spatially, Nima is an overcrowded, unsanitary, and unplanned neighborhood with few public amenities (Table 2).

Table 2: Comparison of characteristics of groupings of the ten worst slums in Accra⁴⁸

	Nima/ Maamobi	Usher Town/ Accra Central	Other Slums
Proportion no piped water	86	77	86
Proportion no toilet and sewerage	97	95	96
Proportion not owning home	79	86	79
Proportion with less durable material	14	4	3
Percent with 2+ per room	64	61	56
Percent with less than secondary education	33	31	28
Percent illiterate	24	23	18
Percentage with lower status occupations	91	90	90
Percentage under 15	32	32	32
Percent 55+	8	11	5
Percent Muslim	51	15	10
Percent Catholic	12	5	8
Percent Protestant	14	35	19
Percent Charismatic	17	29	43
Percent Akan	20	17	44
Percent Ga	6	60	20
Percent Ewe	13	6	21
Proportion vegetation	0.06	0.04	0.05
Proportion impervious surface	0.84	0.79	0.60
Proportion bare soil	0.10	0.15	0.24

When Nima was established in the 1930s, it fell outside the jurisdiction of the Accra local government authorities. Excluded from the formal urban planning regime of Accra at the time, the person who founded Nima, Mallam Futa, took charge of the governance of the neighborhood. The location of houses was influenced by a deliberate policy of grouping persons of the same ethnicities together. Spatial patterns in Nima to some extent reflected ethnic divisions. Nima at one time was an insular neighborhood cut off from the rest of Accra due to poor road and telecommunication networks.

⁴⁸ Adapted and based on John Weeks et al., “Can we Spot a neighborhood from the air? Defining neighborhood structure in Accra, Ghana,” *Geojournal* 69 (2007), pp. 9-22. The table captures the characteristics of the ten worst slums in Accra. In the table above, Nima is combined with the adjoining slum of Maamobi, Usher Town with adjoining slums in Central Accra, and then all other slums are grouped together.

At present, Nima is increasingly cosmopolitan in outlook. It is an open neighborhood with connections to many places within Accra and beyond. The Nima Highway, the main road in Nima, links this neighborhood to all the surrounding neighborhoods. While some residents of Nima attend school and work in other parts of Accra, residents from other neighborhoods do their shopping in Nima along the Nima Highway. This is indeed a sea-change, for until recently Nima had a pervasive negative local reputation that deterred many Accra residents from visiting this neighborhood. This has changed over time because of the net attractions of Nima. Some persons see living in Nima as a stepping stone or part of a cost-saving measure to accumulate resources to enable them to migrate to the West in search of greener pastures. It may be worth noting that presently the Bronx in New York has an association called the Nima Residents Association. Nima's potential for development has earned it the accolade a "slum of hope."⁴⁹

As Table 2 shows, in terms of living conditions, Nima is comparable to the nine other worst slums in Accra except for the proportion of residents with less durable building material. Land ownership is largely concentrated in one family, the Nii Odoi Kwao family, whose agents/lessees have in the past allocated lands to some of the current residents of Nima. Predictably, some of the most sustained disputes in Nima relate to land. Before the Nii Odoi Kwao family came to own Nima lands, there was a protracted dispute between the family and Osu Mantse (the chief of Osu) as to the owner of Nima lands following the spatial and economic expansion of Accra and increases in the value of Nima lands.⁵⁰ In Ghanaian customary law, Nima lands fall under the jurisdiction of the Osu stool, headed by a mantse (chief). In the past, subjects of the stool at customary law had the liberty to appropriate portions of the land that fell under the jurisdiction of the stool or seek the consent of the stool to such appropriation. It was the case of the Osu stool that the grant to the Odoi Kwao family was for the specific purpose of farming, and not an absolute grant entitling the family to sell part of the land to third parties. The West African Court of Appeal in civil appeal no. 107/1953 rejected this argument noting that from the "original...grant properly made a hundred or more years ago...it is clear to us that whatever may have been the terms and reservations of the original grant...by conduct [the Osu Stool] have

⁴⁹ Owusu et al., *supra* note 5.

⁵⁰ *Id.*

acknowledged it to have been a outright grant and they cannot now be heard to say that they were reservations amounting to a reversion in the stool.”⁵¹

After this legal victory, the Nii Odoi Kwao family had to fight Mallam Futa, the founder of Nima, who had supported their opponents in the previous litigation, over the ownership of Nima lands, in another protracted court case.⁵² Subsequently, both parties agreed to settle, and by the terms of settlement filed in court, the family of Mallam Futa confirmed the title of Nima lands vested in the Odoi Kwao family who also confirmed Futa as their tenant. Furthermore, “all revenues, payment compensation, paid or collected in respect of Nima land” after the deduction of legitimate expenses were to be shared in a ratio of 4 to 1 between the Odoi Kwao and Futa families.⁵³ Additionally, by the terms of the settlement, “Alhaji Futa’s family and followers shall continue in occupation of the land customarily granted by the Nii Odoi Kwao Family and shall annually perform all customary rights pertaining to the said Nii Odoi Kwao Family Stool of Osu.” But “failure without reasonable cause on the part of Alhaji Futa’s Family to meet the [preceding] obligation...shall summarily result in revocation of their rights of settlement on the land.”⁵⁴

Since 2008, it would seem that the Nii Odoi Kwao family has become more aggressive in asserting its ownership interests.⁵⁵ In June 2008, it served notice on “tenants, licensees or house holders...that from the second day of September 2008, the nominal annual ground rent of GHC 5.00 [about \$3.30US] [was] due for collection for the year 2008, and that all arrears for the years 1950-2008 also [would] be collected...” Based on a conservative estimate of five thousand houses in Nima, the total nominal ground rent due and payable to the family amounts to \$ 17500 US per year. Some Nima residents do not strictly observe their obligation to pay ground rent to the Odoi Kwao family. The greatest challenge that confronts the Odoi Kwao family is that homeowners who have not paid annual rents to the family since the 1950s can assert adverse

⁵¹ *Id.*

⁵² Osman Barri, *A Comprehensive History of Muslims and Religion in Ghana* (Accra: Dezine Publications, 2009), pp. 495-496.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

claims to their lands through the doctrine of adverse possession.⁵⁶ This possibility creates further uncertainty and tensions in land relations and land ownership in Nima. Yet it should be noted that many of Nima’s residents do not have formal titles to the lands they occupy, raising concerns about security of tenure.

Houses in Nima are largely self-financed (see Table 3) and consist primarily of one-story buildings on winding lanes, except for houses lining the Nima Highway, which have been converted from one-story buildings into 2 or 3-story buildings for business activities.

Table 3: Source of finance for housing construction

Source	Ashaiman	Nima	James Town	Saltpond	Tamale
Bank credit	-	-	-	-	-
Own savings	80.0	72.0	66.0	42.5	32.5
Credit union	-	-	-	-	2.5
Susu/money lender	2.0	4.0	2.0	7.5	-
Relatives/friends	18.0	24.0	20.0	52.5	62.5
Others	-	2.0	-	-	-

Source: Background Study for Project GHA/87/023. Government of Ghana/United Nations Development Program/UNCHS.⁵⁷

Working within the asset-based framework of Kretzmann and McKnight, I will briefly discuss some of the assets, broadly construed to include social and political assets including the right to vote and community mobilization and organization, in Nima. I do this in order to show that an asset-based approach to slum development relies on an expansive notion of assets. It is therefore necessary to identify some of these assets in Nima for the purpose, later on, of illustrating how an asset-based based development framework may be deployed. Using this broad notion of assets, one of the key political assets of Nima is that it falls within one of the largest political geographic units in Ghana. In the 2004 elections in Ghana it fell within the political geographic

⁵⁶ See Da Rocha and Lodo, *Ghana Land Law and Conveyancing* (Accra: DR & L, 1999), p. 323 arguing that the doctrine of adverse possession applies to both customary and non-customary transactions in land.

⁵⁷ Both Ashaiman and James Town are slums in the Greater Accra Region of Ghana. Whereas Saltpond is a town in the Central Region of Ghana, Tamale is a city in the northern part of Ghana.

unit with the 7th largest number of voters in Ghana.⁵⁸ Potentially, this is a source of political power for this slum community. Administratively, Nima falls within the Accra Metropolitan Assembly but belongs to the Ayawaso Sub-metro. Under the decentralization or “home rule” program in practice in Ghana since 1988, the electorate in Nima elects representatives called assembly persons to serve for a term of two years to represent their interests in the Accra Metropolitan Assembly.⁵⁹ Ghana’s decentralization or “home rule” concept empowers districts or municipalities to design, formulate and execute programs geared towards the overall development of these districts or municipalities. As the district planning authority, a district or municipality is vested with the power to impose rates, fees, and property taxes, and also to prepare and implement district development plans, including land use plans.⁶⁰

Nima has an active political culture. Awash with civic groups and community-based organizations with a history of engagement with other actors including the Ghana Government, Nima’s numerous social, youth, religious, and civic associations and community development organizations continue to interface with local authorities, donors, and other partners to improve conditions in the Nima community. Some of these groups have attained national and international recognition for their work but others are loose associations of friends and family with the primary objective of achieving unity in the community or helping one another in the event of economic distress or a personal calamity. Indeed, the active engagement of these groups with other actors has increased the capacity, confidence, and self-esteem of residents of these groups.

As regards community organizations, the three most visible organizations are the Gender Action Unit, Mothers Club, and the Federation of Youth Clubs. Formed in 1998, the Gender Action Unit consists of men and women who work to promote human rights consciousness, especially with respect to gender issues in the community. The Mothers Club, established about the same time, seeks to promote human rights sensitization, particularly in regard to issues of education, sanitation, and health. The Federation of Youth Clubs (FYC), which was formed in 2002, is the

⁵⁸ See <http://www.ec.gov.gh/>. Last accessed on March 19, 2010.

⁵⁹ See generally, Kwamena Ahwoi, *Local Government and Decentralisation in Ghana* (Accra: Unimax Macmillan, 2010), and Ghana’s Local Government Act, 1993 (Act 462).

⁶⁰ *Id.*

most active of all community-based associations in Nima. With over 150 youth members serving the Nima, Maamobi, and New Town areas of Accra, FYC over the years has emerged as one of the key facilitators of community development, interfacing with other groups within and outside its operational areas.

Pursuant to its objectives of skills training for its members to make them employable, unifying all youth groups, and generally ensuring the development of the operational areas, FYC's programs and activities have included the Right to Health Campaign and the Garbage Project. The capacity FYC has built over the years is best reflected in the design and execution of these projects.

In 2001, the FYC, the Gender Action Unit, and Mothers Club started the Garbage Project with the support of the Legal Resources Center, an NGO working in Nima and surrounding areas,⁶¹ and student interns from Harvard Law School under the direction of Professor Lucie White. The project aimed to promote participatory problem-identification and problem-solving. Under this project, members of the FYC monitored and tracked the emptying of dumpsters by the waste collection company contracted by the Accra city authorities to collect waste from Nima. This tracking and monitoring was done for a period of one year to ascertain the number of times the dumpsters were full but not collected, and full and overflowing but not collected. Through the LRC, monthly reports on the results of the monitoring were sent to the local government body in charge of waste collection in Nima.

Despite initial resistance from the local authorities to meet the youth groups, the authorities were compelled by the sheer persistence of the youth and the LRC to arrange a meeting between representatives of the youth groups, the waste collection company serving the community, and the local government authorities. The meeting was a learning opportunity for all the parties. The Ghana government owed the waste collection company several thousands of dollars, which had been outstanding for years, and this affected the company's capacity to collect trash in the communities it was to serve. At the end, the parties agreed that the youth groups should continue to track and monitor refuse collection from the dumpsters while the company would respond

⁶¹ See <http://www.lrcghana.org/>. Last accessed on March 19, 2010.

with speed by sending a truck to empty the dumpsters anytime they were informed a dumpster was full and overflowing. This arrangement led to a decline in the frequency at which dumpsters in the community overflowed with trash.

The Garbage Project developed into a composting project. Because Nima is badly planned with limited access roads, waste collection trucks are unable to enter all parts of the neighborhood. The FYC through the LRC accessed funds from the UK Department for International Development to embark upon a composting project. Through this project members of the FYC went from house to house to collect trash, which was then sent for composting in a process that sought to create alternative livelihoods for the youth in the community.

The next project the FYC participated in was the Health Campaign which started in 2002 as a community effort to improve health outcomes within the three communities of Nima, Maamobi, and New Town. Under the health laws of Ghana, certain categories of persons, including the aged, children under five, and the indigent were exempt from payment for healthcare services.⁶² However, this exemption policy was practiced selectively and arbitrarily without any rational basis. Indeed, no one in Nima knew of or had ever benefitted from the exemption scheme. With the support of the LRC and students from Harvard Law School led by Professor Lucie White, through the FYC, Gender Action Unit, and Mothers Club, the community embarked on a number of activities to operationalize the exemption policy for qualified persons in the community.

The project embarked on a comprehensive set of activities. Through stakeholder identification, community hearings on the exemption policy, community sensitization, petition-signing drives, and a series of meetings with stakeholders in Ghana's health care delivery system, the nature and effects of the non-implementation of the exemption policy were documented and analyzed. Public impact litigation was also instituted in the Ghana courts to have the exemption policy implemented. After the community had threatened to hold protests against the Ghana Government for the non-implementation of the policy, the government through its Ministry of Health asked for a meeting with community members and the LRC to discuss their concerns. At the meeting, the Government promised to address the concerns in the new health insurance bill,

⁶² Ghana Hospital Fees Act, 1970 (Act 327).

which has since been enacted by the Ghana Parliament. This new National Health Insurance Act provided a nation-wide health insurance scheme while exempting the indigent from the payment of health insurance premiums.⁶³

The FYC has also been active in tackling crimes in the community. Through its Community/Police relations program with the Ghana Police Service, community watchdogs have been formed to check criminal activities in the Nima neighborhood. The community watchdogs, formed in 2004, receive training and guidance from the Ghana Police Service and the LRC. Due to the activities of the many CBOs and other institutions in the community, illegal activities and the incidence of crime in the community are on the decline. Further, the dispute resolution functions provided by cultural leaders in the neighborhood, cross-cutting ties through marriage, and the activities of community watch groups, have aided the processes of social control in the neighborhood.

Currently, the FYC together with its partners and allies is working on two projects: the Drainage Project to get the Ghana Government to construct a drainage system for a huge and open drain called the Nima Gutter, the main drainage system in Nima; and a project to have Nima, Maamobi, and New Town declared a municipality. When Nima, New Town, and Maamobi are carved out from the political and administrative unit they now form a part of, they will constitute a decentralization or “home-rule” unit with the operational autonomy to plan for their overall development, while funds generated in these neighborhoods can be retained in the community to improve the general welfare of the residents.⁶⁴

4. Models and Strategies of Slum Development

The dual challenge in any slum development program is how to support slum development in ways to assure a safe, secure, and healthy environment while expanding life chances for slum dwellers through targeted investments, expansion in employment opportunities, productivity, and income. In this section, I examine some of the strengths and limitations of models and strategies

⁶³ Ghana National Health Insurance Act, 2003 (Act 650).

⁶⁴ See generally Ahwoi, *supra* 59.

of slum development from an asset-based point of view. In so doing, I seek to show that while in theory many of these models provide stand-alone theories for slum development, in practice they should be viewed as tools for operationalizing asset-based development as formulated by Kretzmann and McKnight.

In recent times the policy of granting and formalizing title to land for slum dwellers has occupied center-stage in efforts to improve the welfare of slum dwellers.⁶⁵ Perhaps in recent times de Soto's notion of "dead capital" is the most topical model of slum development. Through this concept, titling and a strong regime of private property with enforcement of property rights are essential to releasing the "dead capital" in slums to enhance market transactions to secure slum economic transformation.⁶⁶ According to de Soto, the critical step for fostering slum development is to create conditions for the generation of capital and the promotion of market transactions. When slum dwellers secure title within a legal architecture that protects private property, they can participate in market transactions and access credit for consumption and investment purposes.⁶⁷ As far as slums are concerned, the key insight from de Soto is that interventions on behalf of the poor should be linked to the creation of economic conditions that create capital to enhance the well-being of slum dwellers.⁶⁸

While policymakers cannot ignore the merits of titling in both creating value and paying attention to how the created value is distributed, titling is often criticized for a number of reasons. First, titling may produce a zero-sum effect as the worst-off may not benefit from this intervention. That is, titling may have uneven effects on slum residents. For example, depending on the proportions of structure owners versus squatters in a slum, and the average duration of stay of the squatter/tenant living in the structure, titling may benefit structure owners and not squatters or tenants. As the description of Nima shows, there are more tenants or squatters than landlords, so titling is likely to benefit landlords and not squatters unless titling is accompanied by a reallocation of property rights to include squatters and tenants.

⁶⁵ de Soto, *supra* note 17.

⁶⁶ de Soto, *supra* note 17, *passim*.

⁶⁷ *Id.*

⁶⁸ Gerald Torres, "The New Property," 56 *Stanford Law Review* 56:741 (2003-2004).

Additionally, titling may make slums more attractive, leading to the better-off taking over slums (gentrification) and displacement of slum dwellers.⁶⁹ Using Nima again as an example, it is likely titling will make it easier for landlords to evict tenants or sell their homes to higher-income households leading to a displacement of poor tenants and squatters. Third, even if titling proves effective at dealing with distributional consequences, it is not certain that titleholders will be able to secure credit to improve their living conditions. Securing credit is a function of many factors including the legal, macro-economic, and regulatory environment.⁷⁰ For example, if there is systematic discrimination against slum dwellers, redlining, or poor regulation of credit, titling will not necessarily lead to access to credit for slum dwellers or, if it does, predatory or toxic lending practices could harm the long-term interests of credit-seeking slum dwellers where the regulatory environment does not provide sufficient safeguards. The generally poor regulatory environment in many countries in the Global South, and the poverty in a place like Nima that may make some residents vulnerable to predatory lending practices, caution against an uncritical acceptance of titling as a model of slum development.

These criticisms of titling show that whether titling works or not will depend on the specific configuration of titling and the context of its application. They do not constitute a blanket rejection of titling as a tool for capitalizing and improving the welfare of slum dwellers. For example, Duncan Kennedy has suggested the limited equity co-operative as a mode of titling that confers on title holders interests in land less secure than fee simple but more secured and with a higher interest in the land than rented housing. Within this arrangement the limited equity co-op, vested in a community or land trust, holds the beneficial interest in the land. By limiting the ability of limited equity holders to dispose of their interests in the land, a limited equity arrangement ensures that a community or land trust that manages the limited co-op appropriates the bulk of increases in property value, which can be used to increase the stock of buildings for the class of persons the limited equity co-op is designed to benefit. That is to say, one key aspect of the limited equity co-op is that the homeowner is entitled to some of the growth in value – but

⁶⁹ On the effects of gentrification on the poor, see Molly MuUSIC, “Reassessing Rent Control: Its Economic Impact in Gentrifying Housing Market,” *Harvard Law Review* 101 (1988), p. 1835.

⁷⁰ David Kennedy, “Some Caution as Property Rights as a Recipe for Economic Development,” *The Journal of Accounting, Economics, and Law* 1 (2011), pp. 1-62.

not all of it. The owner's share of the growth or increase in value is usually capped at a given annual return. The "owner" can only sell up to that amount and must sell to a qualified buyer. So the additional value is kept with the property and passes to another owner of the given class (usually defined in terms of income). Because of its design, titling within a limited equity co-op is more likely to address issues of gentrification, displacement of the poor, and distributive concerns in slums. Embracing this titling strategy is Ghana's 2002 draft shelter policy, which recommends the use of community land trusts as one of the strategies for addressing the problem of slum housing.⁷¹

Filtering, another model of slum development, rests on the premise that instead of governments concentrating directly on slums to improve conditions therein, they should seek to improve the general economy and the efficiency of the market and the free enterprise system.⁷² Improved incomes enable higher-income persons to afford new dwelling units, making room for lower-income persons to filter through the dwellings left by earners moving up the income ladder.⁷³ The assumption here is that a country's economy is characterized by rising incomes with a resultant increase in purchasing power of its citizens. The implication is that slums will die off with continuous rise in incomes, because as lower income households move up to better quality housing the slum housing can be removed. For this to happen, overall housing production should exceed household growth. Alternatively growing incomes could allow households to upgrade slum housing as part of upward filtering. Therefore, the notion of continuous economic growth or overall housing production exceeding household growth is central to the operation of the filtering model.⁷⁴

The filtering model has other implications for housing policy. It suggests that the state can adopt a detached or non-interventionist stance towards improvements in slum conditions because filtering by itself will eventually address the housing needs of slum dwellers. Critically examined, filtering advocates the benign neglect of slums. At another level, this benign neglect is

⁷¹ Ghana's Draft Shelter Policy, 2002 (a copy on file with the author).

⁷² H. Aaron, *Shelter and Subsidies: Who Benefits From Federal Housing Policies?* (Washington, DC: Brookings Institution Press, 1972), pp. 171-172; Roger Montgomery and Daniel R. Mandelker, *Housing in America: Problems and Perspectives* (Indianapolis, IN: Bobbs-Merrill, 1979), pp. 182-200.

⁷³ *Id.*

⁷⁴ *Id.*

only a stage in the eventual demise of slums. This is because slum housing will eventually fall into obsolescence leading to their abandonment and redevelopment into new housing for high-income earners.

Indeed, whereas filtering offers a powerful explanation of the relationship between housing and household dynamics it is doubtful its assumptions of a continuous growth in income and the efficacy of market mechanisms apply in many countries of the Global South that are characterized by dysfunctional institutions, market failures, and low or stagnant economic growth.⁷⁵ When bad economic conditions result in poor economic growth, and the construction of new housing units falls below household growth, it is unlikely filtering will work to produce trickle-down effects to meet the housing needs of slum dwellers. Therefore, it is not surprising that filtering has not worked in many of these countries. For example, the 2002 Draft Housing Policy of Ghana states that filtering has not worked in the Ghana context to address the housing needs of the poor.⁷⁶

Yet filtering holds immense theoretical appeal. As Kennedy has attempted to show within the context of low-income housing markets in the US, filtering has the potential to benefit low-income persons depending on the market context. Kennedy classifies low-income neighborhood development processes into four categories: (1) filtering, (2) gentrification, (3) downward tailspin, and (4) upgrading-in-place. By his classification, filtering occurs when improvements in incomes generally lead to higher-income earners leaving housing that is higher quality than slum dwellings, thus making way for slum dwellers to take their places. Gentrification occurs when increases in property values and income lead to improvement in neighborhood conditions, including livability, resulting in the displacement of some slum dwellers by those higher up the income ladder. Upgrading-in-place sees a rise in property values as a result of investment in slum property by slum dwellers without too much displacement of slum dwellers. Downward tailspin happens when there is deterioration in the conditions in slums as a result of better-off slum dwellers leaving the slums for other neighborhoods. According to Kennedy, slum dwellers

⁷⁵ The land and housing markets in many countries in the Global South, including in Ghana, appear so dysfunctional that it is doubtful some of the assumptions that underline the concept of filtering hold in the specific context of these countries.

⁷⁶ Ghana Draft Shelter Policy, *supra* note 71.

benefit from filtering and upgrading-in-place since improved conditions in housing exceed the level of displacement of slum dwellers, but slum dwellers are likely to lose out from downward tailspin and gentrification. Kennedy's analysis suggests that under the right conditions, filtering can improve the housing situation of slum dwellers.

Despite the theoretical and practical value of titling and filtering to efforts at improving conditions in slums these models are subject to a number of criticisms. As already stated, filtering is premised on efficient markets and general improvements in the economy with the rate of capital growth exceeding that of population increase, yet inefficient markets and the provision of housing in the formal market not keeping pace with household growth in parts of the developing world appear not to support the validity of the filtering model. Second, depending on the context, titling may have negative distributional consequences for some slum dwellers. These models also fail to address the full range of slum problems such as lack of jobs and infrastructural facilities⁷⁷ and they pay insufficient attention to the potential value of other non-property assets in a slum. From the perspective of an asset-based framework, titling and filtering appear to gloss over assets such as the size of the slum population (potentially reflecting political power), the size and influence of slum organizations, and networks and partnerships (an indicator of slum capacity to engage with others within and outside of the slums).⁷⁸

As noted above, the surge in studies of slums has focused attention on the “non-economic features of slums:” the quasi-governance institutions, the social capital that exists in slums making room for trust and reciprocity, and the political networks and various groups active in some slums providing value that conventional assessment of economic value often fails to capture. As further stated, the legal framework can invest slum dwellers with certain legal rights and privileges, including claims in adverse possession, which they can use as shields to resist forcible evictions and as swords to claim compensation or relocation allowance when slum lands

⁷⁷ Gulyani and Bassett, *supra* note 5. See generally Rolf Goetze, *Understanding Neighborhood Change* (Cambridge, MA: Ballinger Pub. Co., 1979).

⁷⁸ See Kretzmann and McKnight, *supra* note 9, and Robert Putnam, *Bowling Alone: The Collapse and Revival of the American Community* (New York: Simon & Schuster, 2000). See also Caroline Moser, *Reducing Poverty: The Case for Asset Accumulation* (Washington, DC: Brookings Institution Press, 2007) and “Asset-Based Approaches to Poverty Reduction in a Globalized Context,” *Global Working Papers 2* (Washington, DC: The Brookings Institution, 2006), available at http://www.brookings.edu/papers/2006/11sustainabledevelopment_moser.aspx. Last visited on October 30, 2011.

are compulsorily acquired by the state. Thus, from an asset-based slum development perspective, titling and policies aimed at creating or capturing value created through filtering become part of the tools of asset-based development for creating institutional, social, political, or economic conditions in slums that facilitate efforts to build the life chances of slum dwellers in a programmatic and structured way.

5. Strategies for Slum Development

As already stated, an asset-based model of slum development attempts to transform particular slums by targeting specific slum resources, increasing their visibility, and using specific slum development models and market and other regulatory mechanisms to enhance and develop these resources for the purpose of building the life chances of slum dwellers. In the last section, I discussed how titling and filtering are tools that can be used in an asset-based approach, despite having some drawbacks. In this section, I briefly examine other strategies and tools for slum development. Specifically, I look at how land policy, taxes and subsidies, planning and zoning regulations, finance reforms, and partnerships can aid the processes of slum development.

a. Land Policy and Laws

At the heart of the slum problem is the question of access to land for all income groups, especially the poor. People live in slums because often they cannot afford the high rents for decent accommodation in the formal areas of cities, reflecting high land prices in these areas. For this and other reasons, the first step in reforming land policy is to regularize slum settlements and democratize access to urban land while promoting a participatory form of urban management.⁷⁹ It is important that land policy aims to enhance the welfare of all residents of the city, regardless of income. This can be achieved through the formulation and implementation of a human settlement policy and regional planning. Once urban land policy takes into account the social function of property, and the need for some amount of public regulation to meet the welfare needs of all income groups, policymakers can overcome the first hurdle to slum development,

⁷⁹ Fernandes and Rolnik, *supra* note 31.

which is the acceptance and recognition of some slums as viable neighborhoods that can be revitalized.⁸⁰

While titling is consistent with the notion of providing assets to slum dwellers by enabling them to access credit and use their property as collateral, where necessary, this policy as noted earlier can generate uneven effects. To deal with this challenge, as stated earlier, concepts such as land trusts or limited equity coops, by which land ownership is vested in an entity with occupancy rights carved out for tenants, and a mix of tenure to meet the housing and economic circumstances of city residents, promise to be an appropriate response to the challenge of titling individualizing in a negative way the process of land ownership.

Another step in reforming land policy and laws in order to address the slum problem is to relax the law on adverse possession. Reducing the number of years needed to sustain a claim in adverse possession could enable slum dwellers to assert possessory claims on lands they now occupy. Doing so will offer security of tenure to slum dwellers. Finally, in order to facilitate the process of re-organizing or re-planning of slum neighborhoods as part of the process of slum development, it might be necessary in some cases for the state to exercise its power of eminent domain to confiscate slum lands for the purpose of designing and executing an overall and coordinated slum development program.

b. *Tax, Subsidies, and Access to Credit*

The taxing power of the state can be used to provide incentives or tax benefits for the renewal of slums through, for instance, special tax incentives to businesses established in slums and employment of slum labor. Also, states can deploy a number of tax tools, including value capture, tax increment financing, and tax credits for both income and property to aid the process of improving slums.⁸¹ Below I briefly explore the use of select taxation tools, specifically, value

⁸⁰ *Id.*

⁸¹ Maldonado Copello, Maria Mercedes and Martim O. Smolka, "Using Value Capture to Benefit the Poor: The Usme Project in Columbia," *Land Lines* 15:3 (2003); Alven H.S. Lam and Steve Wei-cho Tsui, *Policies and Mechanisms on Land Value Capture: Taiwan Case Study* (Cambridge, MA: Lincoln Institute of Land Policy Working Paper, 1998), https://www.lincolninst.edu/pubs/dl/144_LamTsui98.pdf; Rachel Weber, *Can Tax Increment Financing (TIF) Reverse Urban Decline?* (Cambridge, MA: Lincoln Institute of Land Policy Working Paper, 2003).

capture, tax increment financing, and tax credits in the process of adding value to improve and increase livability in slum.

Value Capture: Value capture has been used elsewhere as a development tool to achieve economic, social, and political objectives.⁸² For example, through the vehicles of land taxation and land use regulations, policymakers can capture potential profits based on land value changes in the future.⁸³ Turning again to Ghana as an example, although value capture is not alien to Ghana, it has never been religiously applied there for neighborhood development. For example, Ghana's Town and Country Planning Legislation, passed in 1948, provided for the public capture of increase in land value once an area had been declared a scheme of development, but there seems to be no evidence this was used to generate additional value for the state to fund infrastructural development in localities. Under the 1948 legislation, when an area was declared a scheme of development, any existing property owner in the now-declared scheme of development whose property value had been enhanced by the declaration of the scheme was required to pay the excess value to the state.

In other words, land value capture is meant to assure "public participation in land value increments resulting from administrative actions."⁸⁴ In Ghana, one of the key drivers of increases in land prices is speculation. Individuals buy large tracts of land in hopes of cashing in on changes in land values with the provision of public infrastructure at the locus of the land. Using Nima as an example, I expect that any improvements in the conditions of Nima Highway or the construction of additional link roads within Nima would lead to an increase in land prices for places flanking the roads. The value captured from administrative actions, including zoning and upgrading, can fund the provision of public infrastructure, particularly in the worst-off areas in the slums, while value capture as a speculation control device can prevent speculators and landowners from taking undeserved advantage of upgrading programs or other actions of public authorities.

⁸² Copello et al., *supra* note 82.

⁸³ Lam and Tsui, *supra* note 82.

⁸⁴ Copello et al., *supra* note 82.

Again, through development exactions local authorities may require property owners to give property or provide payment for infrastructural investments before the owners are given permission to develop their lands.⁸⁵ Deployed in Nima and other slums in the developing world, development exactions can offer a window of opportunity for experimenting with other processes/strategies for slum development. However, in view of poor tax-paying culture, corruption and administrative malaise in many countries of the Global South including Ghana, it is doubtful development exactions will work without some attempt at first tackling these constraints.

Tax Increment Financing: Tax increment financing (TIF) started in California as “an innovative way of raising local matching funds for federal grants.”⁸⁶ As a tool for financing local economic development, TIF involves declaring an area a TIF district and making public expenditures through debt in anticipation of increased future tax revenues. A brief but apt description of the TIF process is provided as follows:

As soon as an area becomes designated as a TIF district, the sum of the initial assessed values of the properties in the district forms “the base” against which growth will be measured. As private investment is attracted to the area, the assessed value of property and the taxes on it are expected to rise. The difference between the base value and new assessed value is the “tax increment.”⁸⁷

TIF has been used extensively in the US but it has yet to be applied to any slum in Ghana.⁸⁸ Yet by current understanding of the circumstances for the application of tax increment financing, slums may be primary candidates for this approach since almost all slums can be considered “blighted” or “underdeveloped.” With Nima’s advantageous location in Accra, a TIF arrangement with the necessary modifications to suit local circumstances might allow for the use of tax increments to pay back the cost of provision of public goods in a designated area in Nima

⁸⁵ Jennifer Evans-Cowley, *Development Exactions: Process and Planning Issues* (Cambridge, MA: Lincoln Institute of Land Policy Working Paper, 2003). See <http://www.lincolninst.edu/subcenters/teaching-fiscal-dimensions-of-planning/materials/evans-cowley-planning.pdf>. Last visited on March 19, 2010.

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ A property taxation system exists in Ghana, but in a large measure, it appears ineffective as many property owners hardly pay any property taxes. This is more so in slum communities such as Nima in Accra, Ghana.

and channel the provision of public amenities or other social services to poorer parts of the slum neighborhoods. Used with caution, TIF may provide another intervention tool for maximizing the welfare of slum dwellers and integrating them into local or global value chains.

Tax Credits: Tax incentives in the form of income and property tax credits are another innovative way to achieve socio-economic objectives. A system of tax credits instituted in some states in the US has helped to ameliorate low-income housing challenges. Applied to slums, tax incentives can reward businesses that employ slum dwellers, or provide job training to slum dwellers to increase their employability. Tax credits may be a more appealing incentive than tax deductions since theoretically they can generate a tax credit market and increase the stakes in achieving the policy outcomes they are meant to serve. Presently in Ghana, there is limited use of tax credits, and considering the fact that the tax system is weak, the capital market undeveloped, and the bulk of taxes come from indirect taxes, the use of tax credits is likely to have limited impact in efforts to improve slums unless they are targeted specifically at tax-paying companies such as banks and manufacturing companies.⁸⁹

In a large measure, income and access to credit are at the heart of the slum problem. For the poor in the city, high rent and other living expenses condemn them to marginal shelter in slums. With savings ruled out and without access to mortgage credit, slums dwellers' only option is to live in slums. To address this challenge, the Ghana Government may set up a Low-Income Housing Fund to provide capital subsidies for low-income housing. This Fund may be fed by tax receipts and moneys from other sources. Access to credit to the poor, including slum dwellers, can be encouraged through support for credit unions, fund pools in slums, and through legislation such as the Community Reinvestment Act in the US, which requires banks to offer loans to low-income neighborhoods where they have branches located. It is also important that debtor protection rules are designed, continually adapted, and vigorously implemented to offer the requisite protection to slum dwellers.⁹⁰

⁸⁹ Ghana Internal Revenue Service Act, 2002 (Act 592). Tax credits apply only in the context of withholding taxes.

⁹⁰ Duncan Kennedy, "Cost-Benefit Analysis of Debtor Protection Rules in Subprime Market Default Situations," in Retsinas and Belsky (eds.), *supra* note 17.

c. *Planning, Zoning Laws, Code, and Covenant Enforcement*

One of the most promising strategies for transforming conditions in slum communities is through planning, zoning regulations, and code enforcement. In some cases relaxation of these regulations may be needed to enhance slum dwellers' welfare. Many slums, including Nima, violate planning and zoning rules. Without a relaxation of these code rules in ways that do not compromise safety, most slums may have to be cleared rather than upgraded. Easing planning and zoning rules to permit inclusive zoning to enable slum settlements to remain in these desirable locations in order to take advantage of better facilities in richer neighborhoods they abut may have welfare-maximizing effects for slums dwellers.

On the other hand, under certain conditions strict enforcement of covenants and codes can be used to improve the welfare of slum dwellers.⁹¹ Tenancies in Ghana, including "informal tenancies in slums," have covenants implied by law. For example, under the covenant of habitability landowners may be required to ensure their premises are safe and secure, and toilet facilities provided therein.⁹² Further, under the covenant of repair, landlords may be required to repair decrepit premises to make them tenantable. Breaches of these covenants can be redressed by court injunctions or squatters withholding rent payments.

While strict code enforcement in slums can hurt slum dwellers, Bruce Ackerman in a seminal article argues against conventional understanding that under certain conditions, state intervention in slums through code enforcement can redistribute income from slum landlords to slum tenants.⁹³ To ensure that code enforcement benefits slum dwellers, a comprehensive review of slums should be conducted to identify the structure of the slum rental market with its elasticities of demand and supply. When this is done, partial code enforcement, especially where the slum has a group of slum dwellers who do not want to pay more for improved slum conditions, and where landlords are making more than marginal returns to avert abandonment of slum property, can benefit some slum dwellers, while a comprehensive code enforcement with subsidy

⁹¹ Bruce Ackerman, "Regulating Slum Housing Markets on Behalf of the Poor: Of Housing Codes, Housing Subsidies and Income Redistribution Policy," in *The Yale Law Journal* 80:6 (May, 1971), pp. 1093-1175.

⁹² Duncan Kennedy, "The Effect of the Warranty of Habitability on Low-Income Housing: 'Milking' and Class Violence," *Florida State Law Review*, 15 (1987), p. 485.

⁹³ Ackerman, *supra* note 93.

incentives is likely to benefit all slum dwellers.⁹⁴ However, code and covenant enforcement may have their own constraints, including enforcement costs and capacity or personnel constraints.

Additionally, as there is a great deal of evidence to suggest that slum renewal programs can cause gentrification and displacement of residents, zoning regulations may be used to check gentrification and displacement of slum dwellers.⁹⁵ For example, in Nima mixed zoning can be used to carve out segments of the neighborhood for residential, commercial, industrial, and social purposes. Density may be increased in the residential areas through appropriate building designs that take into account local culture and peculiarities, helping to reduce the cost of housing by expanding the supply. Doing this may give the neighborhood the spectrum of land uses that maximizes the welfare of its residents.

d. *Other Regulatory Interventions*

Because of market failures in many countries with slums, governments can intervene in the operation of market forces, for example, through rent control, in order to achieve the objective of improving slums. The rent control recommendation is controversial since the mainstream view is that rent control hurts tenants, in this case slum dwellers, by reducing incentives to supply housing and thus in the long-term can lead to housing shortages for the poor. Yet there are good reasons why rent control, when properly executed, can aid the process of improving slums and in addressing distributive concerns arising from unchecked gentrification of slum settlements.

Rent control may be needed to counter the impact of tax and regulatory tools that improve the conditions in slums, as these interventions can lead to gentrification as slums become more livable and attractive to non-slum dwellers with higher incomes. In this way, instead of slum dwellers “filtering up” through the existing stock of housing left by middle-class persons moving up the housing ladder, they are rather pushed out of slum neighborhoods leaving them “shelter poor” and possibly with increased commuting costs as they are cut off from centers of employment. Again, in gentrifying slums landlords have an incentive to convert their buildings to commercial or other profitable use. When this happens, speculations and expectations of

⁹⁴ *Id.*

⁹⁵ MuUSIC, *supra* note 69.

massive capital gains can “generate explosive price increases” with adverse consequences for slum dwellers.⁹⁶ On the possible effects of gentrification in poor or low income neighborhoods MuUSIC notes that:

The higher rent caused by gentrification and land speculation can exacerbate already large rent-to-income ratios for poor tenants, resulting in inadequate supply of food, clothing, and other necessities. Displacement imposes additional hardships. The luckiest of the displaced suffer only the economic losses of moving up to other housing, for which most pay higher rents. Others suffer serious psychological harm when uprooted from homes and neighborhoods with which they have developed strong ties...⁹⁷

In a highly-gentrifying slum, targeted rent control can eliminate increases only in economic rents, and avert involuntary displacement of slum dwellers.⁹⁸ However, considering the administrative complexity to implementing second-generation rent control, and the poor public management cultures in some countries like Ghana, it remains to be seen whether, without expert administrative support and capacity building, Ghana can implement second-generation rent control, despite its theoretical appeal, in a place like Nima.

e. *Improving Partnerships*

In order to transform living conditions in slums, the capacity for the design, formulation, and actualization of slum-oriented policies is essential. Many government and city authorities in developing countries, including Ghana, lack the administrative and managerial capacity to effectuate the grand vision for slum transformation. However, this challenge can be overcome when countries forge partnerships and alliances such as Cities Alliance and the World Urban Forum through which competencies can be built for institutional strengthening and regulatory and administrative reforms for the take-off of slum development programs.⁹⁹ Slum institutions and city authorities can tap ideas, solutions in design, new technologies for sanitation, urban planning, financial services provision to the poor, land management, tax policies, etc.

⁹⁶ *Id.*

⁹⁷ *Id.*, at pp. 1840-1841.

⁹⁸ *Id.*

⁹⁹ For information about Cities Alliance and the World Urban Forum, see generally <http://www.citiesalliance.org/ca/> and <http://www.unhabitat.org/categories.asp?catid=672>. Last visited on October 19, 2010.

6. Illustrating an Asset-base Approach to Slum Development

In this section, I use the slum of Nima in Ghana to briefly illustrate how an asset-based approach to slum development can be deployed. As stated already, an asset-based development consists of five steps: (1) community asset-mapping, (2) building relationships, (3) mobilizing community assets for information sharing and economic development, (4) convening a community representative group (that is, the Community Assembly) to develop a community vision and plan, and (5) leveraging community and external resources to support slum development efforts.

Under the rubric of asset-based development, the first step is for Nima through the FYC, or any other institution mutually agreed upon by the stakeholders in the development process, to map and document community resources that will be relevant to the design and execution of a specific development project, for example, the Gutter Project. The asset-mapping exercise captures individual capacities and competences (the masons, carpenters, unskilled workers, the lawyers, bankers and other professionals living or working in Nima, etc.); social, religious, and cultural groups in the community; physical assets, such as the extent and value of Nima lands, the Nima Road, the markets and even the Nima Gutter; economic assets such as the tax base in the community, community residents' titles in Nima lands, and the homes of residents; and political assets, including the right to vote and to exercise other political freedoms like free speech, and the freedom to organize, demonstrate and protest.¹⁰⁰

Critical questions are bound to come up in the asset-mapping process. For example, who or what organization should conduct asset mapping; what is the methodology for asset-mapping; and how should asset-mapping support the other elements of asset-based development, such as community learning, building relationships, and mobilizing Nima residents for the Gutter Project? The FYC could decide on the kinds of assets to be mapped within specific time frames, and further set up community asset-mapping teams for that purpose. The process of asset-mapping starts with additional training sessions on asset-mapping for interested community and FYC members.

¹⁰⁰ See 1992 Constitution of Ghana, Chapter 5, articles 12 to 33.

Regarding the methodology for asset-mapping, the FYC could rely on the insights of McKnight and McBride, who presciently note that a simple questionnaire to individuals, local institutions, and groups in the community can generate a wealth of information about community assets.¹⁰¹ The literature on participatory community mapping suggests other tools including audio-visuals, interviews, group-work, quantitative and qualitative surveys, oral testimonies, and direct observation.¹⁰² To give visibility and publicity to the asset-mapping process, the asset-mapping teams could on particular days walk within Nima to conduct asset-mapping as they attempt also to mobilize and build community relations.

Once asset-mapping for the purpose of the Gutter Project is completed, the next step under asset-based development is for the FYC, after collating and processing the information into a typology of assets (physical, social, economic, political, human and cultural, and legal assets), to convene a town-hall meeting to share with the community the results of the asset-mapping exercise. The convening of the meeting is also an opportunity to carry out the third step in the process—to mobilize and build community relations. The FYC or the Community Assembly should create opportunities for community residents and groups to fill gaps and correct mistakes in the results of asset-mapping in an ongoing community mapping and assets-review process.

The next major step in asset-based development relates to the identification and utilization of specific strategies to enhance specific assets to produce escalator effects in Nima. Since Nima's youth and the homes of Nima residents will constitute some of Nima's most valuable assets, a blend of strategies that target the utilization of Nima's human resources or increase the value of the homes of Nima residents seems appropriate. The critical question is what strategies or combination of development strategies is likely to enhance some of Nima's assets (for example, its massive labor force and the homes of residents) for the benefit of Nima residents.

Consider what happens when conventional titling as expressed by de Soto is adopted as a Nima asset-enhancement strategy.¹⁰³ Because there are more tenants than homeowners, this strategy will benefit slum homeowners at the expense of tenants and squatters, who form the majority of

¹⁰¹ Kretzmann & McKnight, *supra* note 9, p. 345.

¹⁰² Marisol Estrella, "Introduction," in Marisol Estrella et al. (eds.), *Learning from Change: Issues and Experiences in Participatory Monitoring and Evaluation* (London: Intermediate Technology Publications, 2000), p. 9.

¹⁰³ de Soto, *supra* note 16.

Nima's residents. Further, the strategy of conventional titling with its characteristics of individual control of land and the right to exclude, if unaccompanied by an alteration in the current property rights arrangements in Nima, has the potential to quicken the pace of gentrification in Nima because it will make it easier for homeowners to sell their homes.

It cannot also be taken for granted that if the strategy of cash payments to all or some of Nima residents/tenants is adopted (assuming this is politically, economically and financially feasible), it will lead to an improvement in Nima's economy or in the living conditions of Nima residents. It is quite possible that tenants or residents who receive cash payments will have little or no motivation to improve their premises since they do not own their homes. Even if cash payments are sufficient for the acquisition of decent shelter elsewhere, cash recipients may use cash payments to meet more pressing basic needs like healthcare or food.

In contrast to these approaches, the construction of the Gutter can be seen as the start of a virtuous cycle. It can lead to an increase in the property values of buildings flanking the Gutter for the benefit of homeowners; it may provide a basis for increasing property rates for the affected buildings to generate additional revenue for the development of Nima; it may improve health conditions in Nima by reducing the incidence of malaria and thus free up money that otherwise will be spent on malaria treatment; and it is likely to create jobs for the youth in Nima. From this perspective, the strategy of employing Nima's labor to construct the Gutter sets in motion a virtuous circle of incomes and employment for Nima's youth, improvement in Nima's environmental quality, as well as the strengthening of community organizations like the FYC to support community development in Nima. The combined effect of these positive developments is that Nima stands a better chance than before of attracting investments. The Gutter project is not the singular catalyst for renewing Nima because other projects of a similar type can create similar virtuous cycles, but it is worth noting that the processes of asset-mapping aim generally at what is needed and possible in revitalizing Nima within an asset-based framework.

As stated, conventional titling a la de Soto, the provision of toilets in homes in Nima, and the construction of the Nima Gutter will cause gentrification and displacement. But while all possible configurations of titling cannot be completely ruled out as a development strategy for Nima, for any variant of titling to assist in the achievement of the objective of creating a mixed-

income community in Nima, it needs to be supplemented by other strategies such as the provision of social housing or a resettlement allowance for tenants who are likely to be harmed or become more vulnerable to evictions by homeowners as a result of titling.

Another way out of the likely negative distributive implications of titling is to combine conventional titling with development exactions, second generation rent control, restrictions on land use conversions, and code and warranty of habitability enforcement. In this way, titling confers benefits on homeowners in Nima; development exactions reserve land for possible use of the poor and vulnerable in Nima affected by gentrification and displacement; a comprehensive code enforcement supported by subsidy program could improve living conditions for tenants; and second-generation rent control, which would permit homeowners “a fair return on their initial investments in land and capital, and deny only subsequent escalations in the rental price of land,”¹⁰⁴ provides a safety net for tenants vulnerable to evictions as a result of increase in rents and property values in Nima arising from gentrification. Homeowners would not have to pass on the costs of code enforcement to tenants if code enforcement is supported by a full subsidy program. However, if code enforcement is supported by only a partial subsidy program homeowners will be tempted to pass on the costs of code enforcement to tenants, who will face threats of evictions if they cannot pay increased rents. Furthermore, covenant and code enforcement without subsidies may lead to increase in rents, and the demolition of many houses in Nima that are not built to code standards.

If a comprehensive subsidy program goes hand in hand with titling and code enforcement it would seem less objectionable if the mechanism of rent control combined with a warranty of habitability, eviction restrictions, residential zoning restrictions, and a moratorium on conversions into commercial properties is used to check escalations in rents on account of improvement in living conditions resulting mainly from the fully-subsidized titling and code enforcement programs.¹⁰⁵

¹⁰⁴ MuUSIC, *supra* note 69, at p. 1845.

¹⁰⁵ *Id.*, at pp. 1841-1851.

Policymakers can also use the strategy of tenure mix and zoning to address gentrification and displacement of slum dwellers following the renewal of Nima through an asset-based development framework. By the strategy of tenure mix land titles for different purposes, income groups and interests can be created in Nima lands. Renting or freehold interests could meet the housing needs of upper- and middle-income persons while lower-income residents of Nima make do with limited equities with restrictions on free alienability of land.

As stated earlier, Kennedy has demonstrated how the limited equity co-op, a type of tenure based on the notion of the social character of property, can be employed to meet the housing needs of low-income persons. For example, different tenure forms could map into different income groups –subsidized renting for the lowest income groups, followed by market rate renting for the next group, limited equity co-ops as an ownership option for the next income tier, and then freehold for the highest income. To realize these outcomes, it may be necessary to use zoning and other policy levers. In practical terms, this would mean that particular development zones will not contain any restrictions on the sale of land in order to permit property owners to take advantage of increases in property values. For example, through the strategy of development zones and tenure mix, Nima could encourage gentrification along the Nima Highway and the places close to affluent neighborhoods that surround Nima. Nima residents displaced by developments in one developmental zone will be accommodated by developments in other zones. If the provision of social or subsidized housing forms part of the package of interventions, the Ghanaian state may have to exercise the power of eminent domain to confiscate parts of Nima lands and redevelop Nima for this purpose because, as stated earlier, Nima is fully built up with hardly any vacant or open spaces available. As demonstrated above, an asset-based approach to slum development can create virtuous circles in Nima through job creation and income for Nima's youth, increased output and productivity in Nima, strengthening community institutions, and improving living conditions.

From the illustrations on community asset enhancement, it is clear that asset-based development enables the mapping and assessment of the relative strength of and linkages between various assets in a slum, and the contribution of particular assets after enhancement, to the creation of escalator effects or virtuous circles in a slum development program. While numerous assets may

be available in a slum, thus complicating the decision as to which assets to target for enhancement, one possible solution is that after slum assets are mapped, the assets should be weighed, ranked, and prioritized in terms of their capacity to generate virtuous cycles. That is, by targeting the enhancement of one set of assets, other assets could be enhanced as a result. Precisely for this reason, an asset-based development is both an analytic and a diagnostic paradigm to aid the process of assembling, weighing, and prioritizing slum assets for the purpose of targeting for enhancement those assets that have the greatest potential to improve slum living conditions, and increase income and productivity of slum residents.

7. Conclusion

Slums exist in cities because of the confluence of demographic, economic, and social forces. For this reason, any effort to deal with the challenge of slums requires an engagement with these broader forces. What I have sought to do in this paper is to lay out the challenges slums pose to urban living in many developing countries. I have criticized many approaches to slum development as deficient for their overconcentration on what slums lack. I have argued that without an intellectual shift in slum development programs, accompanied by a change in attitude towards slums, minor tweaks in policy will not provide the seismic change required to deal with the problem of slums. Taking cues from the seminal work of McKnight and Kretzmann, I have canvassed the position that slums have assets, which should be used as the entry strategy for slum development. Through value and other transfers and policy changes, slums, depending on local circumstances, can be integrated into the formal urban, national, or global economy through the deployment of specific interventions. While many of these interventions form part of the repertoire of policies for revitalizing neighborhoods, they have not been applied to slums in a consistent and systematized manner.

When policymakers begin to see slums as assets, this shift in perspective will produce positive neighborhood effects for slums, enable slums to overcome negative perceptions, and obtain additional support for slum redevelopment efforts while seeking to encourage slum dwellers to take co-responsibility for improving their welfare as they also seek to diminish the social cost

they impose on society at large. From this standpoint, the conception of slums as assets is not only part of the process of creating enabling conditions in slums, it is also a diagnostic and analytical framework for identifying effective entry points in slum development programs.

Although this paper has not touched on organizational arrangements for slum development, an asset-based approach also calls for an exploration of different institutional mechanisms to study, plan, execute, monitor, and evaluate development strategies in slums. But the choice of institutional/legal arrangements would depend on the slum and national context. Given dysfunctional public institutions in many developing countries, perhaps an approach that facilitates the setting-up or strengthening of local institutions to collect slum data, plan, manage, and execute slum development programs through partnership with government and other partners can increase the likelihood of successfully executing an asset-based slum development. While policymakers continue to grapple with the causes of slum formation, they have to tackle head-on, as a first step, the formal recognition of slums as neighborhoods, and explore processes for removing or alleviating the terrible conditions in slums for full integration into the formal national or global economy. At the same time, policymakers or institutions coordinating or directing slum development have to pay attention to the distributional consequences of each strategic intervention.

All considered, the role of the law is critical. As law is embedded in all development policy, defining many relationships, including the relationships between all actors in the housing delivery system, the relations between “formal” and “informal” housing, the rights or entitlements of all persons, and affecting how institutions are defined, the law has a crucial role to play in addressing the challenge of slums. At the same time, the slum problem is as much a political as a legal issue that may require some painful actions and compromises. Nonetheless before some of the complex legal and political issues get resolved and before an asset-based approach to slum development gains traction, time is ticking and by 2050 the global slum population is projected at 1.5 billion.