No longer Sukumbasis: Challenges in relocating squatters with special reference to Kirtipur Housing Project, Kathmandu

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ABSTRACT

The paper reviews the Kirtipur Housing Project (KHP), the first ever initiative to relocate 44 households evicted from their settlement as a result of Visnumati Link Road project in Kathmandu. The KHP is widely hailed as a success story as it has been able to provide legal, affordable and adequate quality of housing units to the poor Sukumbasis in line with the United Nation’s MDG 7, Target 11 that aims to improve the living conditions of 100 million slum dwellers by 2020. The paper analyses key challenges confronting the ‘relocation’ in terms of effectiveness of partnership, livelihood strategies and employment opportunities of the relocatees and financial viability of the project. It is observed that network of successful partnership, speedy release of funds and motivated beneficiaries who have agreed to pay for the services and infrastructure to ensure cost recovery show how community empowerment, civil actions and local government interests can converge to secure a solution to the longstanding problem of squatters in the city. They also reflect some of the key ingredients of enabling principles mechanism for a successful low-income housing project. While no grassroots mobilisation can be expected to replicate in a dynamic environment, the paper draws some policy insights that could be useful in wider application of the concept of ‘relocation’ to address the problems of squatters in the city.

1. INTRODUCTION

Squatters and slums have increasingly emerged as one of the principal features of cities in many third world countries. As such they have long attracted considerable scholarly interest and captured attention of global stakeholders of shelter such as UNCHS and World Bank. The UNCHS has defined squatter settlements as ‘unauthorised occupation of land in an area by the destitute class (usually migrated population) of the society living under very low environmental and infrastructural condition’ (UNCHS, 1996). They are to a large extent built by the inhabitants themselves using their own means and are usually poorly equipped with public utilities and community services.
In Nepal proliferation of squatter settlements is associated with urban-rural migration influx, cross-border migration and inherent socio-economic disparity aggravated by soaring costs of lands and housing, rising unemployment. Inadequacy of policies to address fundamental economic issues has further fuelled their proliferation, thus, leaving squatting as the ultimate solution for many migrants and low-income dwellers. By 1996, 7% of the country’s population lived in squatter settlements (CBS, 1997), equivalent to the population of Kathmandu today. Proliferation of squatter communities is pervasive across the country, however, it is Kathmandu, the capital city, where they are concentrated. The city accommodates 7% of the national population and 30% of the urban population of Nepal or one and half million people. In 1970s there were only 17 squatter settlements in the Kathmandu Valley but today, it has grown to 63 and accommodates 2,600 families or nearly 15,000 people (Karki, 2004; Pradhan, 2003). A large proportion of people living in these settlements is under absolute poverty, has serious housing affordability problems and is socially and economically deprived. Owing to the way squatter communities are formed, their locations and impact on the environment as well as land value they are constantly under threat from both law and nature.

Early research on squatter origin, growth and proliferation pointed to the positive role of in situ upgrading as it celebrated a more bottom up approach and inclusive policy. In practical terms, it obviated any form of uprooting and refrained from severing access to the social and economic support system communities enjoy. As the concept of in situ improvements and upgrading gained ground, planned resettlement increasingly became a policy backburner. In any case during the 60s and 70s the scale of people in unauthorised settlements had grown so much that relocation in planned settlements would just not be feasible (Rakodi, 1987). Issues around building standards and cost recovery however stymied progress of upgrading projects by making them time and cost intensive and political (Rakodi, 1987; Bryant, 1980). Further, issues of property rights and associated economic benefits could never be fully resolved in upgrading projects. Whilst the incremental nature of the incremental precluded it from being a part of the wider urban development process.

Relocation as a solution to resolve squatters problems assumes far less policy attention and has been considered only ‘little better than forced eviction’ (UN-Habitat, 2003, 131). This approach also reflected the ‘top down’ approach of the ‘provider regime’ that the global stakeholders increasingly dissociated from. Conversely, it was also seen to be a much less complex process which offered full property rights and net housing gain despite limitations arising from high cost of implementation and risk of severance of social and economic ties. Planned relocation of squatters thus continued in developing countries in various forms (Hardoy and Satterthwaite, 1981). Examples from India (Sundaram and Bongirwar, 1985), Bangladesh (Choguill, 1987), the Philippines (Ballesteros, 2002) Thailand (Yap, 1992) showed benefits from legal title to the land or housing to provide security of tenure and physical and infrastructure improvement, but were marked by failures associated with poor location, lack of employment opportunities and high commuting costs. Based on the lessons learned from three resettlement programmes in Dhaka Choguill (1983) concluded that five key forces - organisational issues, resources, cultural understanding, use of appropriate technology and public participation – shape implementation of any resettlement programmes. This mirrors lessons learned in large upgrading projects involving relocation apart from poor understanding of urban land values and dynamics of building regulations (Mukhija, 2003). Top down approaches devoid of public participation produce dwellings that people did not like and in places nobody wanted to live, in that, many issues surrounding upgrading and resettlement appear to be rapidly converging over the last decade or so. Failure to capture net housing gain in any significant way in both cases shifts attention to alternative processes and approaches.
In recent years many cities in developing countries have witnessed an increase in what is often referred to as "civil society" activity including actions by grassroots organisations and nongovernmental organisations (NGOs) in urban development. In particular, apart from lack of opportunity for the urban poor in accessing land and housing under the formal process, this transformation has occurred as a result of the growing recognition to the grassroots advocacy in empowering the community in terms of making decisions on the choice of relocation, level of housing quality and capacity to generate and manage funds within the context of institutional pluralism as quite aptly exhibited by the Baan Mankong model in Bangkok (Boonyabancha, 2005) in recent years. The importance of grassroots actions may have grown with an increase in various forms of migration and proliferation of squatter settlements it has suffered from lack of research and the apparent inability to transfer the know-how. There is however a growing recognition of the process and any empirical research that attempts to fill the gap becomes rather important. In Nepal, literature on the issues related to grassroots mobilisation in resolving squatters issues is non-existent, while literature on squatters, in general, is few and far between (Tanaka, 1997; Sengupta, 2000; Moffat and Finnis, 2005, Sengupta and Sharma, 2006).

This paper is concerned with the first ever relocation scheme for 44 squatter households displaced by the Vishnumati Link Road Project (VLR) in Kathmandu and the community activism reflected in the process of their resettlement. It reviews the scheme widely hailed as a success story in providing legal, affordable and adequate housing to the displaced Sukumbasis in line with the United Nation’s MDG 7, Target 11 that aims to improve the living conditions of 100 million slum dwellers by 2020. Part 1 one of the paper provides a quick overview of the context the project is set in. Part 2 of the paper reviews the network of partnership, nature of community mobilisation and process of building partnership towards a common goal. It shows how community empowerment, civil actions and local government interests have converged to secure a solution to the longstanding problem. Part 3 offers some insights on key features and challenges confronting the ‘relocation’ of squatter communities in terms of effectiveness of partnership, employment opportunities and financial viability of the project. The final part of the paper discusses broad policy implications to assess the potential roadblocks in replicating similar projects at a city-wide scale to reach the larger section of urban poor. The paper is based on empirical evidences and fieldwork conducted in November 2006 and August 2007. Informal interviews with the beneficiaries and discussions with the officials involved were also carried out.

2. CONTEXT SETTING

The country:

Nepal is one of the poorest country in the world with per capita income of US$269 and Development Index ranking of 129 (out of 162 countries). The striking paradox is that while agricultural sector accounts for between 40-50% of GDP, 83% population is still mainly employed in agriculture even though cultivated land only constitutes 18% of the total land. An average of 6% GDP growth and 10% rise in economically active population in recent years, however, indicates a rapid rise in the urban labour force which is a marked shift in employment from agro-based to service-based. In the run up to the accession into WTO in early 2004, the country opened its door to wider liberalisation policies, to vie for international investment. While opportunities liberalisation offered are significant, particularly to the resource starved government, as the government role shifts from direct provision of goods and services to providing institutional support to the private sector resources, they have also triggered a rapid structural adjustment.

Within the last decade or so urban structure has changed significantly due to rapid growth of economic activities, stretching urban boundaries and the urban population however
institutional change to cope with this rapid change has not been as dramatic. The country is 
one of the least urbanised in the world but paradoxically it also has one of the highest 
urbanisation rates. The average annual growth rate of urban population is 6.65% as against 
the national population growth rate of 2.25 percent (CBS, 2001). Poverty has also urbanised 
over the last two decades, physically manifesting in slums and squatter settlements across 
many urban centres. About, 23% of the total urban population are believed to be urban poor 
in Nepal (World Bank, 1999), which is estimated to reach 15 million by 2035 (Bryld, 2001). 
The failure of urbanisation view has narrowly focused on explanations such as urban sprawl 
and migration but missed other important social, economic and institutional factors.

**The city:**

Kathmandu, the capital and the largest urban centre in the country has witnessed a 
proliferation of squatter settlements locally known as Sukumbasis in the last two decades. 
Political instability, economic stagnation and growing inequality can be cited as reasons for a 
large number of people attracted to Kathmandu. The city had always been a welcoming safe 
haven for the migratory population in search of employment and better livelihood from all 
over the country because of its strategic location, administrative and commercial importance. 
As result, the population of Kathmandu grew from 363,507 in 1981 to 421,258 in 1991 
registering an annual growth rate of 6 %. The population reached the million in 2001 and is 
projected to reach nearly 1.5 million by the year 2011 (Table 1), although share of the 
national urban population is expected to decline from 24.1% in 1991 to about 20% in 2001 
and 18.2% in 2011.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>363,507</td>
</tr>
<tr>
<td>1991</td>
<td>598,528</td>
</tr>
<tr>
<td>2001</td>
<td>1,046,185</td>
</tr>
<tr>
<td>2011</td>
<td>1,442,762</td>
</tr>
</tbody>
</table>


Improvements in housing and infrastructure, on the other hand, have not accompanied the 
rate of population growth in the city. A housing deficit of 10,942 units was estimated in 1991 
and it was envisaged that additional 34,000 housing units were needed by 2001 to cater to 
the population increase and new household formation (World Bank, 2001). While the level of 
housing construction achieved during the last decade last decade has been high owing to the 
fact that many migrants brought with them capital that was heavily invested in land and 
housing, a large influx of low-income migrants to the city triggered under-supply of affordable 
housing. Cost of land and housing in Kathmandu has now become increasingly unaffordable 
due to shortage of planned and developed land plots. A nominal standard of 35m2 house in 
an 80m2 plot cost about Rs. 950,000 in Kathmandu in which land and development alone 
constitutes nearly 80 % of the cost (World Bank, 2001). The local and central government 
have engaged in implementing various land development projects in areas such as Lubhu, 
Sainbu, Sinamangal, Kamalbinayak, Harishiddhi within Kathmandu valley. However, these 
initiatives are targeted to land owners and have meant little for the urban poor (Karki, 2004). 
Understandably private sector initiatives have been catering to the middle income groups of 
people. Access to housing loans is limited to middle class population as well. NGOs such as 
Lumanti have been involved in incremental improvements in environment and sanitation in 
various squatter settlements.
Table 2 Rise of squatter settlements in Kathmandu between 1985-2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of settlements</th>
<th>Number of households</th>
<th>population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>17</td>
<td>-</td>
<td>2134</td>
</tr>
<tr>
<td>1988</td>
<td>24</td>
<td>348</td>
<td>3665</td>
</tr>
<tr>
<td>1990</td>
<td>19</td>
<td>859</td>
<td>4295</td>
</tr>
<tr>
<td>1992</td>
<td>33</td>
<td>1271</td>
<td>6355</td>
</tr>
<tr>
<td>1996</td>
<td>47</td>
<td>1783</td>
<td>8927</td>
</tr>
<tr>
<td>1998</td>
<td>49</td>
<td>2021</td>
<td>10,323</td>
</tr>
<tr>
<td>2000</td>
<td>61</td>
<td>2031</td>
<td>11,862</td>
</tr>
<tr>
<td>2003</td>
<td>63</td>
<td>2600</td>
<td>15000</td>
</tr>
</tbody>
</table>


Unauthorised occupancy of land is thus a growing phenomenon in Kathmandu, supported at times through political backing. Squatter settlements have grown in number from 17 in 1985 to 61 in 2000, the majority of them located on marginal public land along the riversides. While the number of settlements more than doubled in the next decade, their population rose by 3 folds (Table 2). Estimates of squatter population vary but a population of the squatter settlements was estimated at over 11,862 (Pradhan, 2003) in 2003 and an additional 40% of squatters are estimated to be occupying public buildings bringing the total squatter population to about 19,770 (World Bank, 2001).

These settlements are characterised by limited access to basic services, inadequate housing, vulnerability to natural disasters and low income and affordability levels. The housing condition of the squatter settlements tend to correspond to their age with the newer settlements generally made up of temporary structures and progressing to more permanent structures over the passage of time (Sengupta and Sharma, 2006). In 200-2001 Lumanti (2001) carried out a comprehensive survey of 37 squatter settlements with a total of 1,729 households and 7,126 population as part of Situational Analysis – a backup paper that set the course of much of their future work. The survey found that majority of the settlements are formed by encroaching into the ecologically sensitive and marginal areas such as riverbeds, forests and lowlands, and are increasingly perceived to be detrimental on both economic and environmental grounds. These settlements displayed inadequate service provision as 67% reported inadequate water supply with a further 15% having no supply at all. Only half of the households had toilet. Electricity supply was however available to most of them. Household characteristics showed 2/3rd of the population in informal labour work and 80% population with an income ranging between 1000-5000. Only 1.8% of the population had Higher Secondary education.

Oddly enough, the government’s response to these settlements has been tantamount to non-action despite reflecting explicit understanding of the issues associated with squatters, and their consideration in city development strategy (Karki, 1995; World Bank, 2001). The 10th five year plan recognises tenure security affecting social, physical, economic as well as human development in squatter settlements and includes both strategic as well as specific proposals to be implemented during the plan period. Broad policy to promoting partnerships with private sector (sites and services, multi-storey apartments and rental units) and regularization and upgrading of slums and squatter settlements with minimum demolition have been cited as the official policy. Under this strategic framework, squatter settlements in Shankhamul, Ramhiti, Subigaon, Dhumbarahi and Radhakrishna Chowk Pilot etc have been selected as pilot projects for upgrading however, nothing has happened.

As these settlements are diverse in terms of their age, site characteristics, physical condition and the extent of their impact on the environment and thereby renders a ‘one size fits all’
approach problematic (Sengupta and Sharma, 2006). This view has given some legitimacy to planned resettlement of squatter communities, particularly where, the impact has been severe. For the same reason, the government’s more recent city improvement activities have been driven by notions of evictions, which appears to have gathered wide public support (Sengupta and Sharma, 2006) from those outside the squatter communities. During the political turmoil that lasted between 2001 and 2002 the country witnessed a sharp rise of eviction attempts across the country including the capital, a movement branded by rival political leaders as ‘opportunistic bulldozer terrorism’. For example, some 13 families were evicted from Bagmati riverside without prior notice or post eviction compensation as part of the government plan to heighten security for SAARC summit to be held in Kathmandu shortly afterwards. Particularly high profile was the eviction attempts of the squatter community along the Bagmati River Bank, where the government planned to create UN Park project to commemorate UN’s 50th anniversary. Out of total 156 Ropani land the plan covers, 56 Ropani is under squatters’ occupation who are fiercely resisting any form of eviction or relocation. Numerous shops around Rani Pokhari and Maitighar were demolished. Eviction notices were subsequently served to residents affecting implementation of Vishnumati Link Road Project.

In theory, Kool et. al (1989, 189) describe such displacements as a form of ‘involuntary filtering’ arising out of compulsion which would have serious social, economic consequences. For squatters in particular it reflects another round of displacement to cope with. This makes any form of planned relocation not a conscious choice for these settlers but the only route to survival since the alienation of their land for the second time. The text in the ensuing paragraphs detail out features of Kirtipur Housing Project undertaken to rehabilitate 44 squatter households affected by the implementation of Vishnumati Link Road Project.

3. KIRTIPUR HOUSING PROJECT

The concept of a link road that would follow the Vishnumati River banks and connect to the Ring Road was first conceived in Kathmandu Valley Physical Plan, 1969. This road would create a bypass that will relieve the city from congestion. At that time of conception there were already three communities living on the river banks, one established as early as in 1952. Subsequently two new communities were formed in 1993 and 2000 totalling to 142 households (Table 3). None of these people had formal title to the land, planning or building permission and were officially regarded as squatters. Despite early planning, the construction of the road did not commence until in the late 90s when a report by Norwegian Institute of Technology responsible for drawing up road alignment was published. The report recommended that communities affected by the road project should be appropriately compensated. However, this was a just a professional view and carried no weight. In 1999 the project was formally launched with the Asian Development Bank loan and Kathmandu Valley Urban Development Project Office (the implementation agency) accordingly issued eviction notices to the five squatter communities, apparently illegally occupying part of the river bank that was proposed for a major link road. The government set out to conduct its own survey to assess the value of the damage with a view to identify the social impact of relocation of these communities. This report (DUDBC, 2001), prepared by Women Support Community Group repeated similar rhetoric recommending a low cost housing scheme to be a solution for the displaced residents. No fund was however allocated for resettlement of the displaced communities. In 2001 a second set of notices were served.

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1 Ropani equals 5476 sq. ft.
Table 3 Communities affected by the project

<table>
<thead>
<tr>
<th>Community</th>
<th>Year Settled</th>
<th>Population</th>
<th>Number of household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhumakhel</td>
<td>1971</td>
<td>202</td>
<td>47</td>
</tr>
<tr>
<td>Chagal</td>
<td>2000</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Khusibahil</td>
<td>1974</td>
<td>130</td>
<td>32</td>
</tr>
<tr>
<td>Tankeswor</td>
<td>1952</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Dhaukhel</td>
<td>1993</td>
<td>206</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: Lumanti (2001)

Having been served second set of notices to vacate their homes, residents of Dhumakhel rather serendipitously contacted Lumanti, a local NGO involved in range of community development activities. Due to its focus on housing rights for the poor and general concern for squatters, Lumanti agreed to lead the residents through what would be an intensive and protracted negotiation with the government and other NGOs. The affected communities, with the help from Lumanti, NGOs and civic groups put forward their resistance and the demolition stalled for a while. In 2002, another set of eviction notices was issued giving them seven days to vacate their homes. However, significance of the road was such that it would help reduce the city traffic significantly by acting as a bypass and the resistance was adding to the project cost overruns. Faced with a forced eviction residents held a crucial meeting with the VLR team, other squatter federations, local government representatives and Lumanti and advocated for a decent compensation package and a relocation scheme. The government officials put a precondition that genuine squatters should be identified before committing to anything. A painstaking task of gathering detail information of each family then began while seeking ways to delay demolition of the properties at the same time. An array of organisations that included international NGOs such as Education Network and Children are at Risk was approached to form a formidable partnership in a bid to avoid demolition until a viable agreement was reached. An extensive media campaign was undertaken which benefited from mushrooming TV channels in the city. The issue was duly publicised and further meetings to discuss the future of these residents were held. This form of gathering support seemed to touch the right chord. Lumanti describes lessons from this as consistent intervention, database update and a continuous

Figure 1 Location of displaced settlement and new housing

Source: Map source KMC (2001)
media campaign as key to the gathering support. The process saw a persistent attempt from a consortium of NGOs to influence the mindset of the officials in the central government and local government on behalf of the affected families, which led to a positive outcome. On March 23, 2003, the Mayor of Kathmandu agreed in principle with the relocation scheme and that those affected most, and those agreed to be genuine squatters and thus nowhere else to go, were given rental compensation for a period of three months and eventual rehabilitation. Once the relocation scheme was agreed, a frustrating process of securing funds for the project commenced. Subsequently political upheavals leading to dissolution of local Government stalled any relocation move and that rental compensation ceased as well. However, rather unfortunately, political upheavals led to the declaration of state of emergency and key officials including the Mayor were replaced generating uncertainties. The consortium continued its campaign by reaching out to international NGOs such as Save the Children-Norway to join partnership. In addition media was contacted and several daily newspapers featured the events with pre-and post-demolition pictures.

A further twist in the political arena saw the Mayor reinstated in his old office and discussions resumed again. Several rounds of negotiation with the Mayor eventually led to the Municipality agreeing to grant Rs 8 million towards the cost of the scheme. That was however not enough and without the viable framework as to who will administer the fund, other donors were reluctant to contribute. Finally a financial organisation was set up in that Urban Community Support Fund (UCSF) was created in collaboration with Lumanti, Kathmandu Municipality and other national and international NGOs. The idea was to use the fund to provide support through low interest loans to the urban poor in Kathmandu. Although the remit of the fund was much wider than what it was intended to immediately pay towards the rehousing of the displaced squatters. Lumanti agreed to administer the fund on behalf of the Municipality. A total of 20 million was raised. Establishment of the Urban Community Support Fund (UCSF) to pave the way for the first planned urban resettlement in the country.

Six Ropanies (equivalent to 32,856 ft²) land was purchased at Paliphal in Kirtipur, some 10 Km from the centre of the city, at the cost of Rs 3 million per Ropani with the money by UCSF. The choice of location was agreed by taking account of people needs and preferences within the limit of the available budget. The location for the housing project was decided after lengthy discussion with the affected families as to their needs and preference. A key challenge was to find a location that was not severely detached from the existing communities and facilities but at the same time did not entirely offend existing communities as proximity to often ‘stigmatised’ communities has been observed to impact on land value in Kathmandu (Sengupta and Sharma, 2006). Compromises were however made in mainly two areas: integration with existing community and impact of relocation on employment. The former suffered from slightly isolated location of the site in terms of establishing social network, but the ties are gradually improving particularly through children’s school activities. It appears that impact of relocation on employment opportunities, although considered during the search for the project site, was sidelined at the altar of housing need. Improvement in transport services in recent years also appears to have helped beneficiaries to give more acceptance to the idea of commuting to work. While resolving the housing problem was considered to be paramount, cost of commuting was offset by the low premium paid for the land, which then helped construct better quality houses.

A total of 44 two story houses were constructed with active participation from the beneficiaries. Primarily, the nature and type of houses, materials and facilities were determined by the beneficiaries based on the repayment amount for each household. Housing Management Committee was formed under the aegis of Lumanti to managing all the transactions of the project, including, making payments to the contractors, consultants and for any decision. The project has quite of few innovative features: two rows of houses are constructed interspersed by two multipurpose open spaces. The houses constructed were
modest two storey units with provision toilets and kitchen within the same unit. There are two wells provided although drinking water supply comes from the pipeline and is stored in three filtered tanks. With the support from UN-Habitat rainwater harvesting has been introduced. Three underground tanks are built to collect rain water and waste water treatment plant has been built.

It is observed that almost every major organisation in Kathmandu had contributions, as shown in Table 4 which helped to keep the cost low. The contributors of the fund also ranged widely – from local government to NGOs such Action Aid, Water Aid, Land cost was subsidised by the UCSF fund, however the beneficiaries had to pay for the dwellings units. Houses had a price tag of 330,000 and Rs 350,000 depending on toilet location inside the house. A monthly payment of Rs 2000 was considered to be reasonable for a period of 15 years based on a paltry 3% interest. Monthly repayment figures were agreed by the beneficiaries.

<table>
<thead>
<tr>
<th>Contribution from selected organisations</th>
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</thead>
<tbody>
<tr>
<td>Water aid</td>
</tr>
<tr>
<td>DUDBC</td>
</tr>
<tr>
<td>UN-Habitat</td>
</tr>
<tr>
<td>Centre for Integrated urban development(CIUD)</td>
</tr>
</tbody>
</table>

Source: Lumanti (2005)

4. KEY FEATURES OF THE PROJECT AND KEY CHALLENGES

Two years since the project was completed and housing units were handovered, KHP or Naya Basti as it is called now is a viable community. During authors’ second set of site reconnaissance, residents came forward with enthusiasm. Authors noticed a motorcycle parked which signified that a certain degree of affluence is now creeping in. Also noticed was a board advertising catering services for wedding etc, another sign of entrepreneurial activity in the settlement. Until August 2007, there were no defaulters. Notwithstanding apparent success of the project it is worth reviewing key challenges and compromises confronted during the project implementation. The following paragraphs capture organisational, financial and participation models and their strengths and limitations.

Organisational model

Lack of clearcut organisational model stymied early part of the process, particularly at a time when the beneficiaries had not been narrowed down. It became imperative therefore to establish a viable organisation model to oversee the implementation. Although no formal organisation model was ever worked out, the model that was adopted was based on housing cooperatives with a Housing Management Committee overseeing the demolition and construction processes and associated decision making on behalf of the whole community. The roles of municipality and NGOs were limited to the encouragement of voluntary membership. During the early part of the project, those in the Committee showed some initiatives by agreeing for demolition and moving out. More volunteers came forward to join the Committee at later stages, as they gathered information on the process and the end product, thereby generating a sense of trust and engendering degree of participation. Organisation and transformation in stages tends to lend feasibility to the project (Dundar, 2001). The organisational strength however suffered due to lack of any formalised policy document guiding their operation, in that, it relied heavily on Lumanti for guidance and support.
What is interesting is, local NGOs had a greater role in the media campaign in the early part of the project even before the entry of the international NGOs and in
- contacting media
- attending meetings with various government officials
- writing letter of support
- sponsoring events/playcards/demonstrations

On the whole the partnership model expedited the delivery process and ensured equity given the local NGOs and federations were involved in advocacy and lobbying while the international NGOs provided grants. This sort of exhibited effective role playing, and a collective strength. However, the extent of partnership and the number of partners for a small project featuring 44 households is unlikely to be replicated in any future projects.

Organisational model was put to test with respect to the role of advocacy and sustenance of the partnership. Fundamental to the early part of the process had been the advocacy role that Lumanti and other organisations undertook in order to change the mindset of the government officials and political leaders. These squatters and their aspirations were first met with negative official and public reaction. This was particularly difficult given the country declared state of emergency and the entire political and bureaucratic machinery changed. The NGOs were thus required to initiate dialogues all over again. The cost of this advocacy has not been factored into the overall cost of the project and residents are not fully aware of this. This in turn put the onus of driving the project on Lumanti rather than on the residents’ organisation. It is acknowledged that residents are ill equipped to deal with such situation, but excessive reliance on NGOs is a bit worrying given any shift in focus or reduced level of involvement from NGOs could potential jeopardise fate of the project.

Finance model
The whole finance management responsibility was left to the project beneficiaries as the representatives of municipality and NGOs took a back seat. Residents debated heavily to arrive at the judicious and rational spend of the quantum of money available to them. Price for the land was agreed based primarily on the repayment money for housing construction. This aimed at balancing the quality of construction, housing quality and location. After the land value was subtracted from the pot of money, the remainder (cost of construction) was divided equally to be paid in instalment. The residents themselves set the monthly repayment money at Rs.2000\(^2\) and it was expected that this payback would be applied without any problems. The model appears to be realistic in economic terms but it does have its share of limitations. For example, to reserve most of that money for relatively better quality housing reduces the amount of money available for other vital services such as drinking water supply and drainage services etc. This in turn leads to additional grant requirement (Table 4).

A key part of finance model involved the borrowers depositing their sum to the Management Committee’s escrow type account and let the Committee oversee the spending. This not only helped raising the accountability of the Committee but also minimized any form of misappropriation of the funds by the borrowers themselves.

Participation model
Constructive participation has been key to every planning effort anywhere in the world. Participation has helped organisational model to prevent any resistance and led support. The
small size of beneficiaries helped to increase the levels of participation from all residents in public meetings and even in Housing Management Committee meetings.

Arguably, one of the key challenges that put community integrity to test has been to filter genuine squatters from the community. The details of the total 142 families were obtained and a list of those most vulnerable were drawn up. This has been described as an excruciating exercise with a huge significance as it involved the potential beneficiaries to determine among themselves who should be entitled for relocation. It turned out that out of 142 families only 62 families were identified as genuine squatters needing relocation (Table 5). This filtered down to 30 households being included in the final list. Interestingly, this highlights the distortion in our perception that all squatter communities need help.

Caution has to be exercised in interpreting this finding however. While some households clearly owned more than one dwelling (some residence in Dhamakhel had properties on the other side of the river as well), some households just did not apply for compensation or relocation. They however vacated the properties and went on to live elsewhere, but, were seen to have returned due to difficulties in finding proper accommodation. The lack of interest of some households to join the scheme can be explained by the nature of relocation offered, which is not necessarily free and did not appeal to everyone equally. This meant that the ultimate list may have potentially missed a other equally need people.

<table>
<thead>
<tr>
<th>Community</th>
<th>No. of households selected as genuine squatters</th>
<th>Number of household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhumakhel</td>
<td>34</td>
<td>47</td>
</tr>
<tr>
<td>Chagal</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Khusibahil</td>
<td>13</td>
<td>32</td>
</tr>
<tr>
<td>Tankeswor</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Dhaudhel</td>
<td>4</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: Lumanti (2005)

In sum the key areas of participation model can be summarized as:

- Decision on voluntary demolition and dates
- Decision on rental compensation
- Decision on filtering genuine squatters from the whole community – in conjunction with municipal ward, details of all families were drawn up and a final list was agreed by everyone.
- Search for lands using their personal contacts
- Deciding on the location/ price paid for purchasing land
- Appointing consultants/contractors/discussing options and agreeing on final layout and quality of their homes
- Visit to Manila, Bangkok and Mumbai to have a first hand exposure of a resettlement.

5. Policy implications: sustainability of unsustaining urban unit

Kirtipur Housing project was implemented, arguably during one of the most hostile political conditions in the country. The success of the project is apparent from the improvements made in the housing condition of the displaced squatter community as the widely formed
partnership brings together technical expertise, accountability and righteousness. The project is the first venture of its kind and unique with some of its features, which *inter alia*, include:

- Systematic involvement of NGOs, advocacy campaign and subsequent support extended by all section of the society
- Close involvement of the beneficiaries in the purchase of the land and the construction process resulting in a structure that fully meets the needs of the people.
- Significant contribution from Lumanti, in terms of leading the project, gathering support, identifying alternative solutions and persistently pursuing the case.

In the preceding sections, we have observed that despite legal and financial impediments it is possible to resolve squatter’s problem through grassroots mobilisation. Apart from providing insights on the ingredient of a successful grassroots projects in addressing primary goal of rehousing a section of squatter community in the city, this project also has some broad policy implications that could have bearing on similar projects in the future:

One, it refutes the argument that a precondition for subsisting for squatters in Kathmandu is access to land as a manifestation of property rights (Sengupta and Sharma, 2006) even though the importance of property rights remains paramount for a variety of reasons (Hassan, 1997; Hardoy and Satterthwaite, 1993; Berner, 1996; Durand-Lasserve, 1996; De Soto, 2000). In this project the ownership of land remains with UCSF and thus sale is restricted although residents could still exercise limited rights (such as renting etc). In this sense, future plans for relocation packages need not be bogged down by the necessity of full property rights provisions. Those residents seeking this as a condition to participate should however be given an option to opt out.

Two, it also refutes twin notions of lack of resources and time scale. The project shows that inaction resulting from the government’s limited financial resource base cannot be justified and that even a modest expenditure can trigger the movement. The project reinforces a vital tenet of the enabling framework such that in the context of institutional pluralism it is the collective synergy that becomes the ultimate tool to manage these problems and no single organisation needs to bear the burden alone. Likewise, the project also disproves the notion that even when resources are available it requires a much longer time frame to implement such projects may be a realistic picture but is no excuse to embark on the project.

Three, although the extent of support extended by the public sector in the project rests upon matters of judgment, the government approach has been balanced in terms of enabling a third sector to undertake the project without actually shifting responsibility to them. This approach is in line with the partnership definition under enabling mechanism. The World Bank (1993) and the UNCHS (1992) have suggested that, in operational terms, enablement will often take the form of partnership arrangements that join together government policy makers, government agencies, community based organizations, NGOs, private builders and/or households (Pugh, 1994, p. 158). This does not guarantee that the government will continue to look at such projects with the same degree of positivity in the future, however, what it ultimately demonstrates is that enabling measures can motivate the third sector. KHP has come to represent the ‘community-led-enabling development’ that subscribes to the best practice of bringing together public and private partners in a manner promoted by World Bank and UN-Habitat. Mattingly (1999, 122) argues that the local and central government in Nepal should be proactive to initiate its own projects to reach beyond the achievements of even the best of enabling strategies, while creating a favourable regulatory and operational framework for wide ranging partnerships to foster. The success of replication of such projects will therefore increasingly hinge on the degree of success of the partnerships that ensue from institutional change.
Fourth, the project’s biggest strength has been to put the community at the heart of decision making. A concept of self-assessment and ‘voluntary filtering’ then became integral to the process of verifying the authenticity of the beneficiaries during the early part of the project and later while determining, site selection and loan repayments etc. This introduced a sense of empowerment to the community and a sense of righteousness and accountability of their own actions apart from helping the process run much faster and reducing any speculation or complaints. This is something other land development projects have fared poorly. Mattingly (1999, 118) citing examples from landpooling projects in Kathmandu stated that targeted beneficiaries are often missed, and implementation is slowed, blocked and they tend to become resource intensive.

Fifth, the project reinforces concept of cost recovery which is a key for sustainability of the project. Even though it is difficult to predict whether households will repay their loans within the stipulated period, incentive to eventually owning their own property seems to be driving households to work towards timely payment. This is one area where private finance companies could chip in and participate particularly, once the cost recovery is reasonably ensured and also given the problem setting up a revolving fund. Lack of private partners is probably the biggest loophole in the project, which, if ignored, will impact execution of similar projects in the future.

6. CONCLUSION

As in many other parts of developing countries, in Kathmandu the issue of displacement accompanied by enabling agenda has provoked new episodes of community mobilisation which is relatively new for the city. Contextual understanding and interpretation of the characteristics of this phenomenon has become an interesting and useful research agenda. The case in point is interesting – it contains explicit evidence of the primacy of community mobilisation under the aegis of unofficial and sort of ad hoc enabling structure. Clearly the mobilisation was activated when the VLR office issued eviction notices to the households. In response to this urban intervention a network of social support was formed. In this regard the officials involuntarily energised a process of community mobilisation that generated greater community spirit and mutual support. Fortunately this convergence avoided conflicts, by putting the community at the heart of decision making. The project also helped raise the role of an NGO in bringing together a significant change by mobilising the community and highlighted absence of active private sector role. In any case consideration of these urban struggles from the perspective of their replicability may be of less significance, as no community mobilisation can take up the same route in a dynamic environment, evaluation of roles played by each actor along the leads to an understanding of how diverse motivations can come together to realise a common goal.

Almost one and half decade since enabling policy was initiated local and central governments displayed a great flexibility in reaching agreements with the third sector in significant issues that could potentially bring profound changes. In the context of structural adjustment however, this form of community mobilisation runs the risk of becoming what Roy (2002) calls ‘an euphemism for the burden the poor have to cope with’. This notion is accentuated by the striking absence of private sector in the process, and on that basis, its sustainability or continuity will, for the most part likely to rely on government coffers or willing donors. On the whole the relocation scheme is probably not in keeping up with the city’s worsening decrepitude, yet there has been progress made.

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