

Workshop on Large-Scale Housing for the Urban Poor

Oxford, 26-27 March 2012

Participants were welcomed by Paul Collier (CSAE, Oxford) and introduced to the other chairs of the workshop: Michael Lea (San Diego), Tony Venables (OXCARRE, Oxford) and Richard Manning (CSAE).

Professor Collier outlined the aims of the workshop, citing the lack of good quality mass housing in Africa as the main motivation for the meeting. Four major categories of impediments to the provision of housing were suggested as a framework for the discussions; housing finance, legal and institutional factors, costs of housing inputs, and complementary infrastructure. Interventions to deal with these might need to be sequenced in a way that reflected the interactions and complementarities between these factors.

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Session 1: Learning from an economic history perspective

Tim Leunig, LSE

Dr Leunig described the response of London and other English cities to the challenge of rapid urbanization in the nineteenth century. Throughout history cities have experienced urbanization as a direct response of economic growth, drawing the brightest (and strongest) to the cities in search of employment.

Some important lessons from the historical experience could be applied to urbanization in other areas, particularly in Africa. Firstly, the extent of lock-in of urban infrastructural investments was illustrated through some of the mistakes in London's development; roads were not built wide

enough to accommodate the advent of widespread use of cars; the lack of sewerage was particularly problematic. In light of this, the role of government might be to legislate and plan infrastructural development with a good evidence base and accurate predictions of future technological and structural change. Demolition, reconstruction and retro-fitting are all extremely expensive, so decisions made now will matter for a long time.

Secondly the issue of provision of public goods needs the right incentives. Private and social returns need to be in alignment. In London, large land owners had interests in over such large swathes of real estate that they internalized externalities of their planning decisions. In general, flatter English cities were more likely to provide important public goods, since human waste would run downhill from affluent suburbs on hills, negating the incentives for the rich to fund important sanitation investments.

The story of London's urbanization is one of a spontaneous and market led response to the demand for housing and urban infrastructure. Most construction was initiated by very small scale construction units, who responded directly to new housing demand from new migrants who had recently found stable wage employment in the city. A strong pre-existing institutional framework responded directly to the need to urban growth.

However, the African case might defy some of these lessons from history. Africa might not experience the steady and well paid employment for new migrants that facilitated London's successful growth. Africa also seems to be lacking the institutional and property rights regimes that would ensure appropriate investments. Dr Leunig warned against legislating in a way that required the provision of housing beyond what government and people could afford; he argued that jobs, not houses, are the root problem. Others responded that in light of a lack of adequate economic growth, and slow institutional change, a third best solution might be sought. The long term human capital effects of early exposure to inadequate housing and sanitation might justify a more activist government role to fix the market failures that constraining housing supply.

Session 2: Good practice in urban mass housing in rapidly-expanding cities

Steve Malpezzi (University of Wisconsin); Bob Buckley (New School) and Sumila Gulyani (World Bank)

This panel raised drew from the knowledge base on urban housing in developing countries to raise important issues for discussion. The central problem of African housing was identified as a lack of adequate low cost supply. Housing demand seems to be relatively well understood and rises consistently with income. But the demand that exists seems to be largely unmet in Africa, mainly because housing being supplied is too expensive. The market is essentially bifurcated into the high-quality and the informal ends of the spectrum.

The main constraints to housing supply were identified as regulation and poor planning. Standards that place the type of housing constructed above the means of those who need it, such as floor-ratio and minimum lot size regulations were identified as the main mistakes many city planners have made.

The distinction between **need** and **demand** for housing was made; there are certainly many urbanites in need of improved housing conditions, but they might not have the income to afford that

housing were it supplied by the market. While it was accepted that there is certainly a latent demand for improved housing that could be met by an increase in low-cost supply, it was not as clear what should be done for those simply unable to afford any formal housing that the market could supply.

There was some discussion of the role the state should play in the delivery of housing and complementary public goods, and a few important issues were raised:

- In terms of the sequencing of infrastructure investments, it was suggested that sanitation was perhaps the first thing that needed to be dealt with, even before land regulation and property rights.
- Housing subsidies should be carefully targeted with a mind to ensure good cost recovery, on-going maintenance of housing units and to avoid capture of the subsidies by the construction developers.
- Government provision of mass housing is regarded as unaffordable for most of the poorest countries. The focus of the World Bank is now very much on slum upgrading: tenure reform and the provision of public services, without the construction of housing
- The focus on formal tenure security has been seen to hold up the progress of slum upgrading projects; the focus now is more services that provide de facto security
- Community upgrading is a good model, but is progressing at a slow pace. Either we need to find ways to take these projects to scale or other housing delivery methods need to be used

There was some debate about the message implied by the wording of the sessions, that 'mass housing' might imply a very specific mode of delivering housing units. It was agreed that this did not necessarily imply the construction of large scale housing developments, but rather finding ways to create adequate housing opportunities, of any kind, on a mass scale.

Session 3: Lessons from different contexts

Eric Aligula (Kenyan Institute for Public Policy research) and Alan Gilbert (UCL)

Dr Aligula provided the workshop with a perspective from Kenya's housing market that illustrated many of the points in the previous session. He described Nairobi as having a housing market where demand was greatly outstripping supply, with a well serviced high end, very little low cost housing and high levels of informality. Only 5% of the city's urban space plays host to 55% of its population, all in high density urban slums. Small scale upgrading projects do seem to be working, but are moving ahead far too slowly. By contrast, government programs to relocate slum dwellers from informal settlements to large housing complexes have largely back-fired, mainly due to inappropriate housing. Many beneficiaries chose to simply move back to their original informal settlements.

The regulation of minimum building standards is setting the bar too high on the types of housing products produced, making housing unaffordable to even the richer inhabitants of the city. However, it was also pointed out that lack of infrastructure might be the more limiting factor in the

provision of housing. Until serviced land is made available developers would not be able to come in at the lower end of the market.

These sentiments were echoed by Prof Gilbert, who, among other things, called for a return to a sites and services approach to housing. Provision of good serviced land is a prerequisite for the supply of housing that suits the needs of inhabitants, whether this housing is built by construction companies or through self-help construction processes, at once through large scale housing projects or smaller incremental upgrades.

The experience of Latin America presents a useful model from which to learn. The state has to be realistic and pragmatic in its ambitions to provide mass owner-occupied housing. Quite simply, when so few households have access to adequate savings and market for finance are not operating properly, nations of single home-owners will not be built overnight, and the focus should be shifted to more affordable rental housing. In the mean time talking about eliminating slums, as if they were the problem rather symptoms of a problem, is destructive and counter-productive.

There was a distinction made between self-help (self-constructed) housing and incremental housing more generally. Slum dwellers are often able to hire small scale construction from outside to come and build or upgrade on their existing plots of land. However, there were some queries about the quality of housing that could be delivered in this way, whether the structures were robust enough, and whether they could be effectively connected to services and amenities.

Session 4: Access to urban amenities through housing: delivery and impacts

Sumila Gulyani and Simon Franklin

Sumila Gulyani shifted the focus to unpacking the nature of informal housing, outlining the main services that are lacking in informal settlements. Strikingly, it would seem to be the lack of private goods, such as piped water, electricity and piped water, *inside* the home that distinguishes slum housing; in terms of access to neighborhood level services the differences are less stark. However another two distinctive features of informal settlements were added to the list; levels of owner occupancy and duration of stay in housing. Taken together these principal components provide a framework for assessing the quality of housing experiences in the city.

A comparison between Nairobi and Dakar shows a stark difference in the quality of public services between two cities of comparable income levels, the quality in Dakar being much higher. The difference in services between the two cities was associated with a similar difference in rate of owner occupancy to rental tenant mix. It would seem to be the case that encouraging good rates of owner occupancy in informal housing could help to improve living conditions for slum residences, through a channel of residential stability; owner occupiers are more likely to make the long term investments in housing.

Simon Franklin continued the focus on private housing's role in providing access to public goods. The South African government has handed over nearly 3 million complete housing units in the last 15 years; the kind of mass housing criticized in earlier panel sessions. This research also served as an example of the kinds of data requirements for an ex-post identification of the impacts of housing in developing countries, where the allocation of housing may have been endogenous at the individual and community level. A spatial instrumentation strategy in combination with detailed panel data

from Cape Town provided evidence of large impacts of housing on household income and female labor supply.

A number of problems were identified with this sort of mass housing approach, including the distortion of private market for housing supply, and the construction of housing far from the center of cities. However, it was not clear that private markets or incrementalism could have provided anything near the amount of serviced housing provided through state subsidies. Nor is anything inherent in the state-led approach that has prevented the construction of low cost housing on highly valued central land.

Yet while the impacts of housing on health, productivity and labor activities might be positive, it is not clear that they are suitably large to warrant the large scale spending of the state. Indeed the 100% subsidy provided by the state might be far too generous. More careful cost benefit analysis is required, as many other slum upgrading interventions seem to deliver these impacts at lower cost. But there remains the question of how more cost effective interventions could be taken to scale, with few governments able to do this to the extent that the South African government has.

Both presentations in this session illuminated the need for evidence on which components of housing services matter for human development outcomes. Without this sort of micro-evidence it remains very difficult to formulate suitable policy. For instance on the matter of sanitation: Is it simply access to neighborhood public goods that matter, or do housing units with proper inside utility connections deliver the most important sanitation benefits? Is owner constructed housing adequately sanitary if connected to public services, or are there additional health benefits that accrue from living a proper brick construction? If it is the latter, in both cases respectively, then the government should be aiming to provide fully constructed and serviced housing units, either through better financing and subsidizing housing supply. The same applies to land tenure reforms, owner-occupation programs, and relocation programs, due to be discussed later in the workshop. Better collection of baseline data and perhaps randomization studies of housing programs would go a long way to answering these questions.

Session 5: Finance, Regulation and Housing Supply/Demand

Maria Hoek-Smit (Wharton), Somik Lall (World Bank), and Sebastian Galiani (Washington University in St Louis)

Maria Hoeh-Smit argued that important innovations are required to deepen housing finance markets in Africa. Adequate finance is missing at many levels of the market, from a lack of adequate formal debt finance for the supply of new housing construction, to properly functioning mortgage finance for anyone other than the very rich.

At the supply end of the market, there is still a shortfall in potentially profitable investment in housing. Political and macro-economic uncertainty, as well as inadequate information on Africa housing markets, has made it difficult for outside investors to come in at any level.

Currently, individuals seeking housing in African cities often have to pay for it upfront, with savings, which severely limits housing construction. Demand for mortgage finance certainly is limited by the average incomes of those needing housing, but there are additional constraints placed on the markets that could be alleviated to ensure the expansion of debt finance. In particular; legal and

regulatory obstacles such as prohibitively high mortgage standards, as well as macro-instability and inflation were high-lighted as major constraints.

Finance for rental housing was an important example. At the moment rent control and tenant eviction regulation disincentivize the construction of new rental accommodation, as developers can't expect to get a decent return.

There was some debate about whether deepening of formal finance was really a panacea for housing problems. Would those in most need of improved living conditions actually benefit from financial reform? Indeed, the evidence for 'filtering up', where finance for the higher end of the markets frees up housing space that can be occupied by the lower end, seems weak. In light of slow regulatory and financial change, more innovative solutions need to be applied, in particular non-collateralized micro-finance for housing and lease purchase agreements.

Given the wide-spread belief that housing supply is heavily constrained by land regulation, it is important to unpack the mechanisms through which slum formation and city growth reacts to changes in regulation. Zoning is often used for the purposes of planning; regulating things like floor area ratios limits the kind of infrastructure servicing planned for a new growth area. However the unintended consequences, through the effects of increased housing prices, damage the ability of the poor to access affordable.

Somik Lall presented a model of housing markets in which housing supply reacts to the increase in demand, and slum formation occurs in the absence of an adequate supply response. Housing regulation reduces the elasticity of housing supply. Using a panel of city level data from Brazil these relationships were investigated. Slum formation, as expected, is correlated with the growth in formal housing stock. But supply elasticities for these cities were extremely low. However, on aggregate, reductions in housing regulations actually increase the rate of slum formation because of the inward migration induced by changes in the regulation.

There was some speculation about exactly how changes in minimum lot size were directly increasing demand for housing, and how it induced migration from cities. Rather, migration seemed more likely to react to changes in regulation only through the channel of increased housing supply. However, if changes in regulation came hand in hand with other reforms or service roll out, or changes in the way regulation was enforced, these could be omitted variables driving some of the migration results.

Some concerns were expressed about our ability to identify the parameters of housing market models, such elasticity of demand, through neighborhood choice models. Exogenous instruments for prices and neighborhood characteristics are needed to estimate these models accurately. Sebastian Galiani gave an illustration of how this might be done using the much studied Moving to Opportunity experiment in the USA, arguing that the counseling programs and location restrictions imposed on the experimental treatment group in the experiment exogenously varies the costs of relocation.

The data from control and experimental treatment group can be used estimate the impact of the cost of mobility and location restraints on decisions of households, which can then be verified out of sample using the recipients of standard housing vouchers. The location restrictions of the MTO experiment are argued to be the main factor in reducing take up of housing vouchers observed in MTO. Further, the model predicts that increasing neighborhood race and income based location

restrictions would only further reduce mobility to the extent that they may even be counter-productive.

Session 6: Microeconomic Impact Evaluations

Taryn Dinkelman (Dartmouth)

Accurate assessment of the total impacts of spatially focused projects using repeated cross-sectional data can be confounded by migration, in and out of affected area. This is particularly true for rurally based projects, where local services and amenities are relatively limited and subjected to considerable congestion externalities. Migration from cities back to rural areas in response to welfare improving projects might put burdens on these services significant enough to reverse the welfare gains from the project. Without a properly functioning land market, data on changes in land prices or inward migration, it is hard to identify the general equilibrium effects of policy.

The net effect of the intervention might in fact be negative across both the urban and rural areas, because the congestion costs in rural areas are not offset with equal gains from reduced congestion in thicker urban markets. Instead of treating these migration effects as a nuisance in the estimation, their effects should rather be incorporated into the analysis of welfare impacts.

While electricity roll out to rural areas of South Africa increased the employment of women living in these areas, due to increased freedom to enter the labour market, new evidence suggests that the program also induced significant inward migration, increases in household size and the number children per teacher in these areas. Modeling these impacts together allows estimates of upper and lower bounds of welfare programs taking into account the potential impacts of migration, and suggests that they might be significantly lower than a partial analysis would suggest. However, other welfare and consumption benefits, outside of just the employment gains of the project might need to be included, as well as modeled as factors explain inward migration.

David Phillips (Georgetown University)

The spatial targeting of housing and infrastructure planning is vitally important in urban contexts. Whether building new housing, new infrastructure rollout or just regulating where and how housing construction takes place, policy can have an impact on how far households are located from places of employment and access to services. In addition, the construction of supportive urban transport infrastructure matters greatly for how those located on the periphery of cities are able to benefit from the jobs and amenities provided in cities.

There is considerable evidence for a spatial mismatch hypothesis in a number of contexts; the idea that distance from places of employment contributes to the unemployment problem of the urban poor. One of the mechanisms hypothesized to contribute to this mismatch is the increased cost of job search over distance for those located far away from work, but there is very little evidence for this. Through a randomized transport subsidy for job-seekers in Washington DC, David Phillips was able to demonstrate how this is indeed a problem for the urban poor, in a developed world context. This seems to be much circumstantial evidence for the problem in African cities as well, although there is currently no careful studies of this problem. This research illustrated how such empirical questions could be addressed using relatively modest randomized control trials.

However, it is more challenging to argue that these impacts are not simply displacement employment opportunities from one group to another, or if stronger claims can be made about improving the efficiency of labour market matching which could increase aggregate employment outcomes. If the employment gains are only displaced, the distributive consequences are still important, and need analysis.

Either way, this work brings to the fore the need to take into account the impacts of policy on how those living in informal settlements are located to job and opportunities offered by growing cities. There is considerable resistance to policies that would deliver better housing only by relocating inner city slum dwellers to isolated city peripheries, but for the great majority already facing long commutes from the periphery, housing and city planning policy could play a role in improving their access to cities.

Danielle Sandler (UC Davis)

The different types of housing facilitated or implemented by housing policy also needs consideration and careful evidence. For instance, high density public rental housing has long been considered a bad policy option. There are a number of channels through which public housing could contribute to poor outcomes for those living in them, including the ways in which they are maintained, the environmental design of high-rise buildings (whether they provide defensible space), and the neighbourhood effects of such dense concentrations of people. While untangling precisely which mechanism is at work here is challenging and certainly of interest, but just knowing that high-density public housing performs poorly relative to medium density private housing (with subsidized rents) is of policy interest.

Indeed it seems that demolitions of public housing in Chicago neighbourhoods lead to declines in the rates of crime in those areas, relative to similar areas that were further away from demolition sites. Evidence that most people displaced by the demolitions resettled in the same area suggests that crime didn't fall because of changes in composition of the neighbourhood but because of the direct effect that the types of housing they were living had on criminal behaviour. It was suggested that these effects could be due to the temporary break-up of criminal networks functioning in high-rises, as the effects are measured in the short run.

More results of this kind, regarding how housing design, density and location impacts on the social and economic behaviour as well as social networks of those living must be of value to policy. The issues might be different in a developing context; for instance how do housing designs support those largely employed in the informal economy, who work and trade at home and in their neighbourhoods? And to what extent does segregation along economic lives contribute to poor outcomes through neighbourhood effects? Any policy affecting the design of infrastructure planning, or facing a choice between relocation and in-situ upgrading, will need to engage with questions of this kind.

Andy Zeitlin (CSAE)

Land titling programs are suggested to have positive impacts on security of tenure, private investment in urban property and improved access to finance, although some of these impacts have

been disputed, and upgrading investments to improve *de facto* security are argued to be a more effective policy.

However, there is less evidence on the costs of land titling, and the resulting willingness of individuals to take up newly implemented government titling programs. In Tanzania, take up of formal title seems to have been surprisingly low, but this seems to be due a lack of information and the high cost of obtaining title, rather than being symptomatic of low returns. The major costs lie in the cadastral surveying of properties (which is extremely expensive for individuals to purchase) and government administration fees. The government seems to have found it unfeasible to lower these fees for the poor through price discrimination.

By exogenously varying subsidies to the cost of titling through a randomized experiment, price responsiveness was determined, and found to be highly sensitive. In addition the study seeks to investigate the impacts of having female ownership of land titles. Women are usually excluded from registered titles. Yet take up of titling was similarly high when the subsidies were made conditional on female participation, suggesting that land titling for women might be fairly easy to induce but also that it doesn't seem to be an important concession for men in the household.

The willingness to pay for land-titling implied by take-up after the subsidization, suggests a reasonably high valuation of formal title. It was suggested that this is because the threat of expropriation is actually very real in these inner city informal settlements. Governments have been known to relocate communities for the construction of new infrastructure, and eligibility for compensation relies on having formal title. However, this work made clear just how difficult and expensive titling can be. This work has implications for the cost-effectiveness of titling, but also for how policy can make the process easier and cheaper for the poor.

Sheela Patel (SPARC):

Following discussions of studies seeking to evaluate the impacts of interventions on the lives of the poor, Sheela Patel urged measures to facilitate empowerment of communities to shape the agenda, and work together with planners and NGOs. It was recognised that these sorts of processes could be an important complement to rigorous evidence in the ensuring that suitable solutions are applied to slum upgrading procedures.

Many African governments and city planners seem to have responses to urban informality that are both hostile and inappropriate. Slums are often seen as things to be entirely discouraged, or ignored, instead of engaged with and supported. The networks of informality used by those in slums are not supported, and community groups are not heard. Some of the problem seems to lie with the inappropriate training of city planners, who take lessons from developed country training that is not suitable for the challenges of managing informality in African cities.

Reflections on the Research Agenda

The first day and a half of discussions at the workshop discussed a vast range of different housing related topics. These might be divided into (1) ways in which policy changes could help to free and support the market supply of affordable formal housing through traditional finance and (2) ways in which direct interventions can be used to support individuals to improve their housing conditions, particularly for those at the poorer end of the spectrum, who are furthest from the means to access

formal housing markets. Issues of provision of the supporting infrastructure seem to be cross cutting: access to serviced land is vital to both facilitating housing construction, and for improving the lives of the poor in slum conditions.

A few important issues were raised regarding the impediments currently affecting markets' ability to provide an adequate supply of housing. There was some consensus on a number of issues, which seemed to have direct policy messages

- Many city planners and governments in Africa take an approach that is hostile and exclusionary towards slum dwellers. These attitudes need to be changed, and more inclusive and realistic practice encouraged
- Finance needs to be more flexible to deliver suitable mortgage products and rental housing at all levels of the market. More innovative housing finance solutions need to be used
- Regulation is impeding both housing finance and housing construction. Minimum floor size, mortgage standards and rent control in particular severely restrict the profitability of constructing low cost housing units.

However, even if the requisite governance and institutional change bring about better functioning housing markets in Africa, it seems unlikely to be able to reach the very poorest slum dwellers. Even with a freely functioning and well financed housing construction sector and a significantly deepened mortgage financing, many people are currently unable to access even the cheapest formal housing on meagre and irregular incomes, without further intervention. Making housing more affordable below the top end of the market does not imply that it can so easily be made affordable for the bottom end.

Thus, the more contentious points of research and debate going forward may have to do with what positive interventions governments and NGOs should be making to ensure that the poorest slum dwellers are ensured access to adequate housing.

Undoubtedly governments need to improve access to services and infrastructure in informal settlements. However there is some contention about whether this should be done through the retrofitting of existing informal settlements with sanitation, piped water and electricity ("slum upgrading") or the development of new serviced land ("site and services") on which individuals can build new housing. There seems to be little consensus either on what would be more costly, or on how cost recovery can best be realised.

In addition it is not clear whether it is access to community level services, or in-home connections that matter most. There is a tension between self-help incremental approaches to housing or projects that would relocate households to newly planned settlements, with formally constructed housing units (self-constructed or otherwise). While it is certainly undesirable to relocate well-positioned urban slum dwellers from city centres to peripheries, the same trade-offs do not seem to be at work for those already living on the margins. In fact new housing could provide an important step in mobility if access to the city could be improved.

While community upgrading does seem to be an effective way of delivering new housing, it is not clear how we take these success stories to scale. They don't seem to be delivering improved housing

at a rate adequate to reduce the housing needs of those living in slums. Neither is it clear if or when micro-finance or more sophisticated mortgage products should be used to fund construction of new housing, and whether government demand-side subsidies might be used to reduce the debt burden of new housing, and increase the rate of upgrading.

The evidence on land titling is also ambiguous. While the returns may be significant, the costs of and obstacles to titling are often prohibitive. Governments should seek to make these processes more accessible, but in the mean time placing too much emphasis on titling could be slow down current upgrading projects and raise costs significantly.

In summary, seeking to encourage the supply of housing through private markets, or making decisions to either intervene with slum upgrading, self-help microfinance or the delivery of government subsidized housing, a number of factors have to be considered. Any policy will have implications affecting these areas, which in turn impacts on the lives of housing beneficiaries. The combined effects should be weighed and evaluated carefully.

1. Access to neighbourhood public services
2. Access to private services including physical housing quality
3. Cost recovery and on-going maintenance
4. Location and connective infrastructure
5. Density and environmental design
6. Rental vs owner-occupation
7. Tenure security

The detailed empirical papers all provided results that could be used to drive policy, but some policy experts found it difficult to see how any one study in isolation could help to inform a difficult choice between a number of options. However, the methodologies presented should give practitioners an idea of what kind of research is needed, and the challenges to rigorously identifying impacts. In addition it was clear that we need an understanding of how the housing and infrastructure policy impacts on migration, labour market choices, distance to work and neighbourhood effects.

Many researchers noted that so much of what they do would be made easier by good before-and-after data collection procedures tied to projects. The work on land titling projects gave the only example of randomized impact evaluation in Africa on this kind of work. While evidence that land titling has an impact of private housing investments and upgrading, this work needs to be complemented by similar studies of other slum upgrading and housing interventions, in order for proper cost benefit analysis comparisons to be made.

Session 7: Research Themes

At the start of this session, donor members of the group gave their views on some key issues that needed to be addressed. These included:

1. Environmental issues – for example the implications of reducing urban density, the possibilities of low-carbon development, and having enough flexibility in the housing stock
2. The negative consequences of inappropriate standards and planning regulations
3. How to encourage private finance below the upper end of the housing market
4. How to reduce construction costs and promote competition in the building industry; and the impact of housing construction on the economy
5. How improved housing impacted on health, education, livelihoods and resilience to disasters
6. The significance of land titling and the governance of land more generally
7. The hedonic valuation of services to householders and tenants; willingness to pay, and the ranking of various services
8. Better cross-country data on housing demand
9. Better data for investors on, for example, incomes and affordability; land markets; infrastructure; neighbourhood mapping; regulatory issues; and property taxes.

In addition UN-HABITAT had its own research agenda and regular publication of data, for example in its annual survey of slums, indicators of housing conditions etc. And the Global Development Network was making Urbanisation the central theme of its annual meeting in Budapest in June, with a focus on cities as engines of growth, externalities, urban poverty and the enabling environment.

Discussion showed that there were various ways of conceptualising an agenda of key researchable policy issues, for example around *affordability*, *housing as a ladder of opportunity*, and *employment effects*; or around *cities as part of the growth process*, *market failures* and *public policies*. There were some differences of emphasis, for example on the significance of *land titling*, on the *sequencing* of different interventions, on the realistic scope for tapping *private finance*, and on the practical effects of *planning laws*. It was noted that at a future event, attention should also be paid to *East Asian models* of urban housing development, which had been absent from the examples discussed at the present Workshop.

However, there was a strong common core of issues where it was felt that further research, not least in Africa, was needed.

This included:

1. Migration and urbanisation, including issues around ‘pull’ and ‘push’ factors, circular migration and permanent settlement
2. Supply elasticities (not least the reasons why in Africa they appeared so low)
3. Sequencing
4. Land ownership, including the consequences of state or private monopoly
5. Ownership and rental

6. Mass public housing, as in S Africa
7. Finance, including both how to develop mortgage markets and how to scale up microcredit and similar approaches
8. Perverse effects of planning regulations and zoning
9. Location
10. Titling
11. Community involvement

In addition, it was argued that a multi-disciplinary approach was needed across topics too often treated as separate silos. There should therefore be more discussion with the urban planning community and those responsible for infrastructure design and decisions. There was also confirmation of the high priority accorded to better comparable data needed by potential investors as well as by donor agencies and the cities themselves, including on property values.

Session 8: Follow-up

There was a general welcome for the workshop, and a wish both to sustain contact among participants and to strengthen the visibility of research and its impact on policymakers. It was noted that **the core area of interest to the group collectively was large-scale housing for ordinary people in urban areas, with a particular but not exclusive focus on sub-Saharan Africa.**

To this end it was suggested that:

1. ***In order to deepen understanding***, research on large-scale housing for urban populations should be promoted through various channels, including, it was suggested, the DFID-supported International Growth Centre, which had co-sponsored the Workshop, and/or the Gates Foundation or other research funders (it was recognised that different funders would have interests in different aspect of the agenda). This should include the convening of further research workshops over a period of years, involving a variety of disciplines and tackling a limited number of key topics.
2. ***In order to improve the visibility of research findings and to build regional research involvement***, funding should be sought for a series of regional conferences on urban housing, based on a call for papers from regional and international researchers, on the model of work done on Spatial Inequality sponsored by UN-WIDER a few years back. Such conferences could have a day for academic exchanges and a day for discussions with policymakers and other key stakeholders, such as community groups and private sector investors. The support of regional bodies, such as the African Union for Housing Finance, or the Regional Economic Commissions, should be sought. The Third UN Conference on Human Settlements in Istanbul in 2016 would be a significant moment to bring research results to international attention.
3. ***In order to get some basic messages to the political level***, initiatives might include: making urban housing a theme at meetings of key stakeholders (for example, in respect of finance,

the Spring or Annual Meetings of the World Bank/IMF in 2013; the Oxford-hosted African Central Bank Governors' meeting in mid-2012); deploying podcasts from the present Workshop; developing a set of key messages that could be deployed in high-level contacts; and drafting a suitable Op-Ed piece for an internationally-read publication, which could be co-authored.

4. ***In order to facilitate on-going contact and mutual support***, and to promote the action above, it was suggested that a small group should maintain regular contact, and that all participants should be kept in touch by occasional email newsletters or the like. CSAE would take responsibility for facilitating this. The World Bank's Open Knowledge Platform could also play a very useful role. Meanwhile CSAE would make Workshop papers and presentations available for downloading, and send a brief account of the Workshop to all participants by email.

Oxford

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