

# The Political Economy of Public Goods Provision in Slums: Preliminary Results from a Field Study in Urban Pakistan

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Slums were once seen as a means for rural migrants to start a new life. They provided the poor with free – or what was thought as free – housing upon arrival, thereby facilitating a process of reinvention, both economically and socially. At least this was the idea in the 1950s when the state in developing countries took on an attitude of benign neglect towards these settlements (Beall et al 2010, Njoh 2003). This essentially meant ignoring these migrants' illegal land grabbing activities, but at the same time not providing them with any public goods, thereby resulting in very unsanitary living conditions in these settlements. A fundamental driving factor behind this policy was a belief that these slums were essentially transitory in nature. They were seen as a first

stop for rural migrants, one from which they would very soon move out as their economic situation improved.

However, as early as the late 1960s and early 1970s it became apparent that these communities were not transitory in nature. Slums, instead of being a means to an end, were an end in themselves. This was also what we observed in our study of slums in Lahore, Pakistan, where walking around we could see how residents had made investments in their dwellings, thereby signalling permanency. The permanency with which its residents view these slums has in turn been reflected in the policy perspective on slums: since the 1990s there has been a strong push for slum upgrading, which entails public provision to these

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communities. Despite this, inhabitants of these settlements continue to live with grossly under-provided public goods (See for example Beall et al 2010, Abelson 1996; World Bank 2000). While this of course has general implications for poverty reduction, more seriously, unsanitary communities can pose considerable health risks for their residents, who may not have adequate health coverage.

Given the permanent nature of slums the primary questions that arise are: if both policy makers and residents know that these communities relatively are permanent in nature, then why do politicians not include them in their provision decisions? In particular why do water and sanitation provision remain abysmally low, even though the benefit from such investment would be far reaching? And why do citizens of these slums not demand public provision, given that they are active voting constituents?

Answers to these questions are not straightforward and require us to look below the surface of these communities, which is precisely what our research sets out to do. The aim of our paper is to illustrate that both slums and slum dwellers within them are not homogenous, either in their level of provision, the level of importance they hold for policy makers and in terms of the demands they make. In an effort to understand this we looked at slums which varied along two lines; one was their distance from the centre of the town and the other was whether they were recognised (notified) by the state as a legal settlement. Our sample included 4 different types of slums as is shown in the table below.

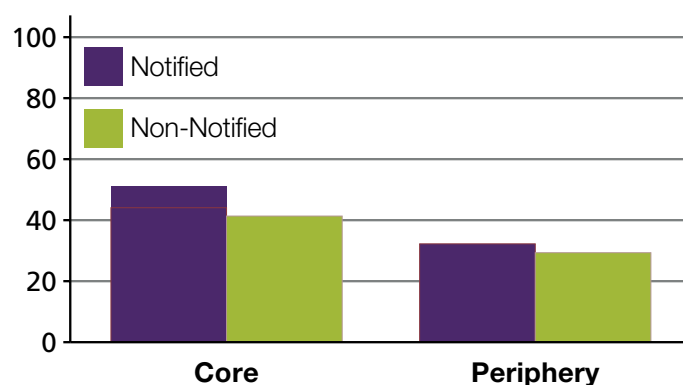
	Notified	Non-notified
Core of the city	3	3
Periphery of the city	3	3

Within the settlement, households differed in, amongst other things, their level of tenure security – while some households in the sample owned the land they lived on, others were illegal squatters. Within each slum a random sample of around 20% of households were interviewed in order to get an understanding of the political economy of these slums.

Figure 1 below illustrates the level of public goods provision<sup>1</sup> in the different types of slums. As can be seen, the highest level of provision is found in the core of the city; at least 40% of households living in the core have access to public goods, and this figure is even higher when we look at notified slums in the core. This is not surprising when we consider that living in the centre makes these settlements extremely visible, and therefore makes it possible for politicians to demonstrate their responsiveness to the poor by, for example, providing

for these settlements. Interestingly, the difference in provision levels in notified and non-notified slums in the core is not statistically significant. Therefore, when living in the centre of the city, security of tenure provided by the state does not seem to matter much for households' chances of receiving public goods. Turning to slums situated in the periphery we find that, not only are provision levels much lower than those in the centre of the city<sup>2</sup>, but also the difference between provision levels in notified and non-notified slums is statistically significant (at the 10% level). Hence this lends evidence to the claim that when the slum is not visible to most city residents, tenure security matters for households to gain access to public resources. Lastly, amongst slums that are notified, we find that those who are also in the core have a better chance of receiving public goods (the difference is significant at the 1% level).

Figure 1: Level of public goods provision



These results held when we ran a multivariate logistic regression model. Furthermore, the model reveals that the households which have property rights are significantly more likely to receive public provision. Moreover, in non-notified slums households who have lived in the settlement longer are more likely to receive public goods, thereby indicating that squatter rights matter for provision. We also looked at households' voting patterns and how that affected their chances of receiving public goods. We found that households who are part of a clientelistic voting bloc are less likely to receive public goods when compared to households who vote independently. This lends support to the argument that voting blocks comprised of households who are in a weaker bargaining position and therefore are less likely to receive public goods. Furthermore, looking at households that vote independently, those who support the party that came into power are significantly more likely to receive public provision. This result implies that political parties are directly targeting their supporters.

<sup>1</sup> The public goods we look at in this study are water, drainage systems and paved streets.

<sup>2</sup> The difference is statistically significant.