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EVIDENCES AND IMPLICATIONS OF URBAN POVERTY ERADICATION POLICIES IN POOR ECONOMIES

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Abstract
The paper synthesizes existing research on the drivers, processes, and outcomes of slum displacement and rehabilitation programs, with a focus on their social, economic, and spatial implications for affected communities. Drawing on studies from urban planning, sociology, geography, and public policy, the review examines state-led redevelopment initiatives, market-driven displacement, and resettlement schemes aimed at improving housing conditions. The findings highlight recurring challenges, including loss of livelihoods, social network disruption, inadequate access to services, and peripheral relocation, which often undermine the intended benefits of rehabilitation. While some studies report improvements in physical housing quality and infrastructure, evidence suggests that participatory planning, tenure security, and proximity to employment are critical determinants of successful rehabilitation outcomes. The review also identifies significant gaps in the literature, particularly the lack of long-term evaluations and the underrepresentation of residents' lived experiences. By consolidating diverse scholarly perspectives, this review contributes to a more nuanced understanding of slum displacement and rehabilitation and underscores the need for inclusive, context-sensitive urban policies.

Keywords: Slum displacement, resettlement, rehabilitation, urban poverty, informal housing

Introduction

The phenomenon of rapid urbanization in the Global South has precipitated a demographic shift where the growth of urban populations significantly outpaces the capacity of formal planning and infrastructure. According to Wekesa et al. (2011), nearly 1 billion people live in informal settlements worldwide, a figure expected to triple by 2050 without significant intervention. In Sub-Saharan Africa alone, approximately 72% of the urban population resides in slums. This spatial manifestation of inequality is frequently described as the "urbanization of poverty," where migration driven by rural economic stagnation concentrates impoverished populations in peri-urban areas characterized by overcrowding, lack of tenure security, and deficient services. Atkinson (2024) posits that some 2.2 billion people may find themselves in a condition of informality over the next thirty years, highlighting that this is not merely a transient phase of development but a persistent structural challenge.

A fundamental dichotomy exists in urban policy regarding how to address these settlements: in-situ upgrading versus relocation (or clearance). Wekesa et al. (2011) argue that direct public housing and relocation programs have largely failed due to high costs, corruption, and the disruption of social networks, whereas settlement upgrading—which improves physical environments without displacement—is increasingly viewed as the most viable approach. However, governments often favour relocation to clear high-value land for urban development or to mitigate risks in hazardous zones. Rahman (2001) critiques the eviction approach in Dhaka, noting that forced removal without adequate resettlement is a gross violation of human rights that fails to solve the housing crisis, as displaced populations often form new slums elsewhere. The tension lies between the state's desire for "world-class" city aesthetics and the residents' need for the socio-economic stability provided by their existing locations.

Displacement is driven by a complex interplay of factors, categorized broadly into development, disaster, and climate change. Piggott-McKellar et al. (2020) identify Development-Induced Displacement and Resettlement (DIDR) as the most studied form, driven by infrastructure projects like dams, transportation, and urban renewal. In Dhaka, Rahman (2001) notes that evictions are often justified by the need to recover government land for public projects. Disaster-induced displacement, such as that caused by the 2004 Tsunami in Sri Lanka, forces immediate and often chaotic relocation. Furthermore, climate change is emerging as a dominant driver, necessitating "managed retreat" from coastal and flood-prone areas. Tadgell et al. (2018) highlight that while traditional resettlement

literature focuses on development or disasters, climate-related resettlement requires a distinct set of principles due to the permanence of the environmental threat. Additionally, "market-based" displacement, or gentrification, occurs when urban renewal increases property values, indirectly forcing low-income residents out.

Theoretical Frameworks

The ethics of resettlement are frequently analyzed through theories of social justice. Bala (2008) applies John Rawls' Theory of Justice to involuntary resettlement, arguing that utilitarian justifications—displacing a few for the "greater good" of national development—violate the rights of the least advantaged. Rawls' difference principle suggests that inequalities are only permissible if they benefit the most vulnerable; however, resettlement often leaves the displaced worse off. Bala also integrates Amartya Sen's "Capabilities Approach," arguing that true development requires the expansion of human freedoms. In the context of displacement, the loss of land is not just an economic loss but a deprivation of the capability to choose one's lifestyle and livelihood. Therefore, justice in resettlement requires not merely monetary compensation but the restoration of liberties and opportunities.

Critical urban theory provides a lens for understanding the systemic roots of displacement. Fitzgerald and Maharaj (2024) draw on Henri Lefebvre's concept of the "Right to the City," defining it as the right of all inhabitants, regardless of property ownership, to access urban resources and participate in the production of urban space. This right is systematically eroded by neoliberal urbanism, which prioritizes capital accumulation over social welfare. Hazarika (2023) utilizes David Harvey's concept of "accumulation by dispossession" to explain how the state facilitates the transfer of public land to private entities under the guise of redevelopment. In this framework, slum redevelopment schemes are not merely welfare programs but mechanisms for unlocking the financial value of land for the elite, effectively stripping the urban poor of their claims to the city.

To assess the multifaceted impacts of displacement, researchers employ the Sustainable Livelihoods Framework (SLF). Piggott-McKellar et al. (2020) utilize the SLF's asset pentagon—comprising Natural, Social, Financial, Human, and Physical capital—to evaluate resettlement outcomes. The review of 203 case studies reveals that while Physical capital (housing infrastructure) often improves post-resettlement, Natural capital (access to land/water) and Social capital (community networks) almost invariably decline. This trade-off suggests that current resettlement models prioritize tangible assets at the expense of the intangible resources essential for survival. Dachaga and de Vries (2021) extend this by linking land tenure security directly to these capitals, arguing that tenure acts as a foundational asset that enables access to other livelihood streams.

Policy Evolution and Governance

Urban policy regarding informal settlements has undergone distinct evolutionary phases. Wekesa et al. (2011) trace the trajectory from the 1950s-70s era of "Direct Public Housing" and eradication, which failed due to high costs and poor targeting, to the "Sites and Services" schemes of the 1970s-80s advocated by the World Bank. The latter attempted to provide serviced plots for self-building but often suffered from poor location choices. By the 1980s and 90s, the focus shifted toward "In-situ Upgrading," recognizing slums as permanent features requiring infrastructure integration rather than demolition. Nallathiga (2012) corroborates this shift in the Indian context, noting a move from clearance to redevelopment and rehabilitation models that leverage public-private partnerships.

South Asian studies

Rapid urbanization in India has contributed to the expansion of slum settlements characterized by overcrowding, poor sanitation, insecure livelihoods, and limited access to formal healthcare. Studies consistently show that urban slum dwellers experience significant socio-economic and environmental vulnerabilities that adversely affect their quality of life. Nayak and Jatav (2023) highlight the

multidimensional insecurity of livelihoods among slum populations, while Khan et al. (2024) emphasize how environmental and infrastructural deficiencies intensify socio-economic marginalization. Research conducted in Kerala and other regions further indicates that marginalized urban communities face systemic barriers in accessing healthcare services, reinforcing cycles of poverty and poor health outcomes.

Health-related studies reveal a high burden of communicable and non-communicable diseases within slum settings, compounded by inadequate health literacy and limited preventive care. Self-medication practices are widely prevalent among slum residents due to economic constraints, easy availability of over-the-counter drugs, and limited healthcare access (Durgawale, 1998; Katkuri et al., 2016; Pranav et al., 2017). Recent research also reports increasing cases of hypertension, multimorbidity, and low awareness regarding chronic disease management among slum populations (Rakesh et al., 2023; Yogesh et al., 2024). Overall, the literature underscores that structural inequalities—rather than individual behavior alone—shape the health vulnerabilities and socio-economic precarity experienced by urban slum dwellers in India.

Bangladesh provides a specific case study of policy evolution. Alam (2025) outlines how post-independence policies in the First Five-Year Plan (1973-78) focused on refugee rehabilitation and urban social services. By the Second and Third Plans, there was a shift toward community development and population control. Crucially, the Fifth Five-Year Plan (1997-2002) marked a significant pivot by integrating micro-credit as a central tool for poverty alleviation in slums, formalizing the role of NGOs in urban governance. Despite these planning frameworks, Rahman (2001) notes that implementation has often been thwarted by a lack of political will and the influence of vested interests, leading to a gap between policy rhetoric and the reality of forced evictions.

In the neoliberal era, the state increasingly acts as a facilitator for private capital in slum redevelopment. Hazarika (2023) describes the "Redevelopmental State" in India, particularly through the Slum Rehabilitation Authority (SRA) in Mumbai, where private developers are incentivized to rehouse slum dwellers in high-rise apartments in exchange for Transferable Development Rights (TDR) and Floor Space Index (FSI) bonuses. This land-based financing model allows the state to minimize direct expenditure. Similarly, Sholihah and Chen (2020) discuss the Jakarta model, where developers are granted Floor Area Ratio (FAR) exemptions in exchange for financing public housing (Rusunawa) and infrastructure, effectively creating a benefit-sharing mechanism funded by economic rent from the private sector..

There remains a stark contrast between international human rights obligations and local enforcement. Rahman (2001) highlights that while Bangladesh is a signatory to various UN declarations affirming the right to adequate housing and protection against forced eviction, domestic practices often involve brutal evictions without notice or compensation. Courts frequently prioritize the property rights of elites or "public interest" (often defined as beautification or infrastructure) over the housing rights of the poor. Vols et al. (2019) support this globally, noting that while legal frameworks for eviction protection exist, they are often insufficient or ignored in practice, particularly for marginalized groups like the Roma in Europe or informal settlers in the Global South.

Methodological Challenges in Evaluation

Evaluating the impact of slum upgrading and resettlement is methodologically fraught. Jaitman (2012) emphasizes the "fundamental problem of causal inference," noting that most evaluations lack a valid counterfactual. Program placement is rarely random; it is often politically motivated or targeted at specific communities, introducing selection bias. Comparing treated households with non-treated ones without accounting for pre-existing differences (such as entrepreneurial skill or income trajectories) leads to biased estimates of program impact. Jaitman advocates for the increased use of Randomized Controlled Trials (RCTs) or quasi-experimental designs to isolate the true effects of interventions like land titling or infrastructure upgrades.

To structure evaluations, researchers employ multidimensional frameworks. Jaitman (2012) proposes categorizing outcomes into three distinct groups: Housing Outcomes (investment, property rights, infrastructure), Neighborhood Outcomes (crime, urban integration, public services), and Individual Outcomes (health, labor market participation, income). This tripartite division allows for a more granular analysis of where programs succeed or fail. For instance, a program might succeed in improving housing stock (Physical) but fail to improve individual income (Individual) or social cohesion (Neighborhood).

Systematic reviews provide high-level insights into global trends. Henson et al. (2020) reviewed physical environment interventions from 2012-2018, finding that while housing interventions consistently improved quality of life and reduced communicable diseases (e.g., replacing dirt floors), the evidence for broader economic benefits or social capital improvements was mixed and often non-significant. Similarly, Piggott-McKellar et al.'s (2020) review of 203 resettlement cases found that physical outcomes were the only category to show consistent improvement, while natural, social, and financial capitals largely fared worse post-resettlement. These findings underscore the tendency of resettlement projects to focus on "hardware" (buildings) at the expense of "software" (social and economic fabric).

Michael Cernea's Impoverishment Risk and Reconstruction (IRR) model is a dominant theoretical lens for analyzing economic impacts. Bala (2008) and Fitzgerald and Maharaj (2024) discuss how development-induced displacement systematically creates eight risks: landlessness, joblessness, homelessness, marginalization, food insecurity, increased morbidity, loss of access to common property resources, and social disarticulation. Empirical evidence from dam projects and urban renewal confirms that without targeted countermeasures, displacement inevitably leads to impoverishment rather than development.

Applying the Sustainable Livelihoods Framework, Piggott-McKellar et al. (2020) document the depletion of multiple capitals. Natural Capital is lost when rural communities are moved to urban apartments, severing access to land and water essential for subsistence. Financial Capital is eroded as compensation is rarely sufficient to replace lost income streams or cover the increased cost of living in formal settlements (e.g., utility bills). Social Capital is destroyed as communities are dispersed, breaking reliance networks used for childcare and borrowing. Cultural Capital is impacted through the loss of ancestral lands and sacred sites.

The relationship between land tenure and economic behavior is nuanced. Jaitman (2012) reviews studies showing that granting land titles significantly increases housing investment and reduces household size (fertility). Tenure security also increases labor supply by freeing up time previously spent guarding the home from eviction. However, the anticipated "credit access" channel—where titles are used as collateral for loans—is weakly supported by evidence; banks remain reluctant to lend to the poor even with titles due to income informality and foreclosure difficulties.

Attempts to restore livelihoods post-resettlement often fail. Perera et al. (2011) describe the Siribopura resettlement in Sri Lanka, where families moved away from coastal fishing areas struggled to adapt to new inland economies. While some transitioned to self-employment, many faced income decline. Piggott-McKellar et al. (2020) and Fitzgerald and Maharaj (2024) note that resettlement programs frequently neglect the restoration of wage-based livelihoods, focusing instead on land-based strategies that are irrelevant in urban contexts. Job training programs often lack market linkage, rendering them ineffective.

Health outcomes are a critical metric for resettlement success. Henson et al. (2020) find that in-situ upgrades, such as paving streets or improving water connections, yield positive health outcomes, including reductions in diarrhea and parasitic infections. However, the stress of relocation itself can negate these benefits. Dachaga and de Vries (2021) conceptualize a "land tenure security and health nexus," arguing that secure tenure improves health via four pathways: infrastructure access, environmental justice, psycho-ontological security, and social cohesion. Conversely, tenure insecurity and the threat of eviction are correlated with worse mental health outcomes.

Intersectional Vulnerabilities

The breakdown of community structures, or social disarticulation, is a severe consequence of displacement. Wekesa et al. (2011) and Piggott-McKellar et al. (2020) describe how the physical layout of new resettlement sites—often high-rise apartments or grid-like layouts—prevents the maintenance of traditional social networks. This loss disrupts informal safety nets that the poor rely on for survival, leading to isolation and increased vulnerability. Perera et al. (2011) note that in the Hambantota case, while housing improved, social satisfaction was low due to the disruption of community life.

Technocratic solutions are increasingly employed to manage slum populations, often creating new forms of exclusion. Nallathiga (2012) details the use of biometric surveys and "Smart Cards" in the Chandigarh Small Flats Scheme to create a permanent database of beneficiaries and prevent fraud. While this improves administrative efficiency, Hazarika (2023) argues that eligibility determination processes are exclusionary, often relying on arbitrary cutoff dates and documentation that vulnerable residents lack. This digitalization of governance can serve to invisibilize those who do not fit the state's data parameters, denying them rehabilitation rights

Displacement impacts the psychological state of residents. Dachaga and de Vries (2021) and Perera et al. (2011) discuss "psycho-ontological security"—the sense of order and continuity derived from a secure home. Forced eviction shatters this security, leading to anxiety, depression, and "root shock." Perera highlights the lack of counseling services in resettlement programs, noting that disaster-induced migrants (e.g., Tsunami survivors) face different psychological traumas than development-induced migrants, yet both suffer from a lack of psychological support.

Vulnerabilities during resettlement are not uniform. Hazarika (2023) critiques the omission of caste in Indian urban studies, arguing that caste hierarchies dictate vulnerability to dispossession and the ability to negotiate with the state. Similarly, Vols et al. (2019) and Fitzgerald and Maharaj (2024) highlight that women, the elderly, and ethnic minorities face compounded risks. For example, compensation is often paid to male heads of households, leaving women financially vulnerable. Indigenous groups often lose access to traditional lands that are central to their cultural identity.

Comparative analysis of resettlement models offers lessons for policy. Jaitman (2012) contrasts the US "Moving to Opportunity" program, which uses vouchers to move families to low-poverty neighborhoods, with Latin American in-situ upgrades. While the US model improved safety and mental health, it did not significantly improve economic self-sufficiency. In the Global South, in-situ upgrading is generally preferred as it preserves social capital and livelihoods. However, Perera et al. (2011) note that successful resettlement requires autonomy in housing design, suggesting that when residents control the construction process, satisfaction is higher.

New governance models attempt to finance rehabilitation through value capture. Sholihah and Chen (2020) detail Jakarta's benefit-sharing scheme, where private developers fund public housing (Rusunawa) in exchange for exceeding building height limits (FAR). This creates "economic rent" that is shared with the displaced. Nallathiga (2012) highlights the Chandigarh model, which used biometric identification to streamline allotments and prevent fraud. These models represent a shift toward self-financing urban renewal, though they raise questions about the long-term maintenance and social integration of such projects..

Conclusion and Future Directions

Synthesizing the literature, the pervasive failure of resettlement projects stems from a technocratic, top-down approach that prioritizes physical infrastructure over human welfare. As noted by Piggott-McKellar et al. (2020) and Wekesa et al. (2011), projects often succeed in building houses but fail in building communities. The reliance on market mechanisms and private developers often leads to the commodification of land at the expense of the poor. Furthermore, the lack of genuine participation

and the failure to account for complex livelihood strategies render many resettlement sites "dormitory towns" where residents sleep but cannot live or work.

The reviewed literature identifies critical gaps for future research. Silva et al. (2024) call for life-cycle analyses of affordable housing to assess long-term sustainability. Henson et al. (2020) and Jaitman (2012) emphasize the need for rigorous impact evaluations using control groups to establish causality. Hazarika (2023) and Atkinson (2024) urge scholars to pay greater attention to marginalized identities, such as caste and gender, and to the specific challenges posed by climate change. Future research must bridge the gap between urban planning, public health, and sociology to develop holistic solutions for the growing crisis of informal settlements.

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