

M1-Project (SP): Housing policies in developing countries

Supervision: Prof. Dr. M. Grubbauer | History and Theory of the City
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Context: In the debate about housing policies in developed countries, much attention has been paid to the ways in which ownership and market oriented housing policies have replaced the earlier public and social housing programs. This debate has gained momentum in the wake of the financial and economic crisis of 2008. The focus of recent literatures has been on the de- and re-regulation of mortgage markets, increases in mortgage securitisation and shifts in ownership structures which advance rising rents and prices.

For developing countries the situation is different: First, mortgage loans are not available for the poorest groups and subsidies are not sufficient to meet the demand. Second, there is evidence that especially for low-income households who resort to self-organised building processes to solve their housing situation, formal ownership or access to formal housing markets is not necessarily a desirable solution; on the contrary, it increases the vulnerability of low-income groups by subjecting poor households to market pressures and speculation. Third, there is evidence that rental markets in the informal housing sector play an important role in providing housing for poor groups because of the flexibility in adapting the housing situation to households' fluctuating incomes and reduces debt levels. At the same time, there exists a long-standing debate about the role of finance for improving the housing conditions in informal settlements, especially in Latin America as well as a long-standing, more general, debate about the opportunities and risks of providing financial services for low income groups in developing countries.

Aims: This M1-project will conduct a document based analysis of housing policies in developing countries, drawing on language skills and first-hand knowledge of the participating students. We will first identify key policy documents of international organizations such as UN-Habitat and the World Bank and analyze the activities of private sector development organizations such as the IFC (International Finance Corporation) or the IDB (Inter-American Development Bank). In second step, case studies of selected countries and cities will allow to examine how national and local governments deal with some of the most pressing challenges of densification, rehabilitation and regeneration of informal settlements and what instruments they employ. A particular focus will be on instruments that allow adapting finance and assistance schemes to the needs of poor households and that support the self-building of homes through subsidies, microcredit schemes, and technical assistance. Students are encouraged to complement the document based analysis through interviews with experts in Germany and internationally.

Requirements: This M1-project is research-oriented and linked to a three-year research project conducted by the working group of Prof. Grubbauer. The research project is titled "Urbanization and finance in developing countries: marketization, institutionalization and internationalization of housing microfinance in Mexico" and is funded by the German Science Foundation (DFG). Participating students are invited to take part in a two-day workshop (29/30 November 2018) titled "Critical Perspectives on Housing Microfinance" which we will organize at HCU, with international participants who will critically reflect on financial instruments for improving housing for the poor in different countries of Asia, Africa and Latin America. We will speak English in this project, international students are welcome to join.

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