



Urban informal settlements in Vanuatu: Challenge for equitable development

Report prepared for Pacific Islands Forum Secretariat and UN Economic and Social Commission for Asia and the Pacific, Pacific Operation Centre

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1. Executive Summary

1.1 Background to this study

- 1 This study was commissioned by the UN Economic and Social Commission for Asia and the Pacific, Pacific Operation Centre and the Pacific Island Forum Secretariat, and funded by the British Government's aid program, DFID, and ESCAP in order to help the Government of Vanuatu meet the goals of its Comprehensive Reform Program in respect of poverty and urban planning. The study aims to assess the extent and nature of informal settlements in Vanuatu and identify ways to address social, planning and land issues affecting these settlements; that is to:
 - Provide a social and planning assessment of squatter settlement development in the Port Vila and Luganville urban areas;
 - Review traditional, and administrative structures with respect to urban settlement management and administration; and
 - Assess social development needs of tenants-squatters and outline how best these can be met.
2. As part of this study, a household survey was conducted in informal settlements in Port Vila and Luganville. Other information was gathered through interviews with government departments, other agencies involved in urban planning and management, and with NGOs that assist the residents of these settlements.
3. An informal settlement is one where people live in a way that does not accord with urban land-use or housing regulations and laws. While the name 'squatter settlement' is more commonly used than 'informal settlement', the second name is used here because it is more inclusive and accurate for the situation in Vanuatu.

1.2 Urban development in Vanuatu

4. Urbanisation is the process whereby an increasing proportion of the national population comes to live in the towns. It is an almost universal corollary of modern economic development. Yet it is often seen as a major problem for Pacific island countries. First, it is occurring so quickly in the Melanesian countries of Vanuatu, Solomon Islands, Papua New Guinea and Fiji that it is overwhelming the capacity of urban services. Second, in Melanesia especially, urban development confronts a difficult meeting point of traditional and modern law, particularly in regard to land tenure and resource management.
5. There are only two urban centres in Vanuatu: Port Vila, the capital, and Luganville, a much smaller town on the northern island of Espiritu Santo. Most of the informal settlements are on land with disputed tenure around the formal boundaries of the towns.
6. Vanuatu has a youthful, fast growing population. With fast social change, this population is becoming more mobile within the country, from rural to urban areas. In 1999, the urban population was 40,100, 21

per cent of the national population, and around one third larger than in 1989 when 26,300 people lived in Vanuatu's towns.

7. Vanuatu's urban population is likely to continue growing, in spite of policies that encourage a more even distribution of economic development throughout the country. If the present rate of growth continues, the urban population could reach 60,000 by 2008 and 80,000 by 2016. If this urban growth is not planned for and properly accommodated, Port Vila and Luganville could become overwhelmed with social, economic and environmental problems.
8. The inevitable urban population growth needs to be adequately accommodated. As this study shows, urban poverty is already a pressing concern in Vanuatu. A large proportion of urban people are forced to live in sub-standard, unhealthy conditions. Uncertain land tenure contributes to the insecurity and other difficulties of squatters. This situation exists largely because of the failure of the urban housing and land markets, in particular:
 - The high cost of housing construction;
 - The lack of affordable credit to low and middle income families;
 - The small amount of land for urban housing coming available, in part because of the slow pace of regularising tenure;
 - Insufficient government, and other, funds to implement services;
 - Other restrictions on service provision;
 - Lack of alternative urban housing that is affordable for low-income households; and
 - Poor co-ordination of urban infrastructure planning issues within Government.
9. It is not possible to precisely measure the number of people who live in the informal settlements from census data, and there is no other available source. Census data can, however, show up general patterns of urban growth. Between the censuses of 1989 and 1999, Vanuatu's average rate of urban population growth was 4.0 per cent. It was very much higher on the urban fringes, and this is where many of the informal settlements are located. This pattern of growth mainly reflects the distribution of uncertain or disputed land tenure in and around the metropolitan areas.
10. On a broader scale, informal settlement growth reflects the shortage of affordable housing in the urban areas. When census data is matched with housing approval records, there is a big difference between the large increase in the urban population and the much smaller number of officially approved new dwellings. This suggests that many urban households have been pushed into informal housing by both the unavailability and high cost of formal housing.

1.3 Living conditions in the informal settlements

11. The Vanuatu Poverty Analysis conducted by the National Statistics Office in 2000 noted that in Vanuatu, poverty was more than simply a low income, but also inadequate access to clean water and sanitation,

education, housing, health care and other basic services. By these criteria, living in the informal settlements generally means living in poverty.

12. The household survey conducted for this study asked settlement residents about their main needs and problems, which principally were:
 - Lack of services: water supply, electricity for lighting, rubbish collection, public transport;
 - Poor living conditions: poor housing and unhealthy surroundings, particularly from poor drainage; and
 - Difficulty in meeting their basic needs for food, clothing and money because of insufficient incomes or jobs.
- 13 Insecure tenure underlies the poor living standards in the informal settlements. Government will not allow leases over Government-owned land until plots are adequately serviced with water, electricity, drainage and sewage. Yet, municipal councils have insufficient resources to provide these services. As a result, the process of legalising housing plot leases is too slow to keep up with demand. This restricts people from investing in better housing. Some traditional landowners also are unwilling to allow construction of permanent houses or provision of water or electricity services because they fear they may thereby lose control over their land.
- 14 Most families own the house that they occupy. There is, however, a sizable group of renters who pay typically 4,000 – 5,000 vt/mth. These people often reported problems with their house (most often that it leaked) or with their landlord (most often that he or she would not make repairs). Although Vanuatu law provides protection for tenants, these do not apply in this informal market.
- 15 Housing conditions range from adequate to very poor. Most housing is self built from whatever materials are available, mainly corrugated iron, wood, traditional thatch and bamboo, and recycled pieces of tin, plastic and wood. Affordable building materials are in short supply.
- 16 People with metered supply sell water to their neighbours, seen as quite a legitimate business, and charge 100vt – 200 vt per 44 gallon drum. This represents 10–20 fold increase over the price for piped water. Most households can afford to use only one to two drums of this water per week, saving it for cooking and drinking, and bathing and washing clothes and food utensils in nearby rivers.
- 17 Most households in the informal settlements depend on pit toilets: either a basic pit toilet, often an uncovered hole in the ground with some surround, or an improved pit toilet with pour-flush facility or ventilation. More than one quarter of households share toilet facilities, with sometimes 6 households (usually in rental rooms) sharing a single pit toilet.
- 18 Informal settlements often occupy marginal land, including river banks and flood-plains. Some are regularly flooded even in moderately heavy rain. Unchanneled water washes across the ground and into some houses, bringing with it the uncollected garbage and the contents of pit toilets.

- 19 Many residents aspire to have electricity, mainly for lights, but very few houses are connected to the mains supply. A very few have their own solar power. Few households have electrical appliances other than a small radio. Very few have televisions; most cook with firewood or gas.
- 20 Both Port Vila and Luganville have a network of health clinics that supplement hospital facilities. People often by-pass their local service to go to the more specialised service. Schools are also distributed throughout the urban centres. Which ones children attend is often a quite complicated decision, based more on quality of education, cost, and possibly church affiliation, and less on accessibility except where it affects cost.
- 21 Although physical access to health and education services may be available, people in the settlements have poor access to other important urban services such as public transport and security.

1.4 Socio-economic characteristics

22. The Household Survey found that the informal settlements are diverse communities. This is a significant finding, for it is often assumed that residents of these communities are quite uniformly poor and dependent on irregular, informal employment. Some households evidently are materially very poor and many have difficulty meeting their basic needs. But some households live quite comfortably, mainly the longer-term residents with sufficient security of tenure to build permanent dwellings, with some members in cash employment.
23. The diversity of these communities is evident in several ways:
 - By education standards, the residents of these settlements are much more similar to the overall urban population than they are to Vanuatu's rural population.
 - Almost all households surveyed had at least one person in paid employment; many had two or more people with paid jobs. Many of these jobs are low-paid and insecure; pooling incomes is generally necessary in order for the household to survive. But adult residents include skilled and technical workers.
 - The residents of these settlements are also very diverse in regard to their patterns of expenditure and consumption and, evidently, their perceptions regarding the lifestyle they consider normal for people like themselves.
24. The main thing that households in the informal settlements have in common is that the acute shortage of affordable urban housing forces them to live in unhealthy, unpleasant and, for many, unacceptably poor conditions.
25. The age composition of settlement households is predominantly adult. This reflects the contribution that migration from rural areas still makes to settlement growth. But many residents in these communities were born in town or have lived there most of their lives. Most of these households are likely to be permanently urban.

1.5 Provisions for urban planning and management

26. There is a considerable gap between existing institutional arrangements and those necessary to properly provide basic services to these settlements. In particular, there is little capacity to provide low cost, affordable housing or influence the development of informal settlements for three reasons:
 - Insufficient funds are applied to housing and related infrastructural development purposes;
 - The institutional capacity that exists in government and local government is not co-ordinated;
 - A land ownership system that affords considerable rights to landowners. It is, therefore, hardly surprising that a country whose landowners have only cursory familiarity, at best, with town planning systems, structures and practices is cautious with respect to increasing this bureaucracy further.
27. Existing legislation contains formal provisions to control sub-standard urban accommodation and associated services. While not entirely sufficient, these are quite extensive. They include the Municipalities Act No 5 of 1980, the Physical Planning Act No 22 of 1986, the Decentralisation Act No 1 of 1994, and the Public Health Act No 22 of 1994.
28. Vanuatu currently has no national planning policies or strategies for managing urban growth, and little capacity either in the public or private sector for this task.
 - There is no legislation that provides for national oversight or direction on matters of urban infrastructure, housing, policy and/or poverty. National policy on these matters is indicative only.
 - Physical plans for Port Vila and Luganville have not been adopted largely because of doubt over their appropriateness.
 - The human and financial capital and capacity to effectively use existing regulatory tools – the people, skills, and money - is either not available or not sufficiently used in central and local government.
29. The administrative boundaries of Port Vila Municipality and Shefa Province create problems for urban growth management because they are based more on whether the state or someone else owns the land rather than on urban planning parameters. The difficulties caused by different rules or ways of doing things is evident in the settlements along and around the boundaries of the two councils.
30. Local government can only raise revenue through various combinations of rates, levies, loans and fees. A land rate is levied within the Port Vila municipality in addition to an annual ground rental charged by the Department of Lands on leased government land. The only effective way that provincial councils, such as Shefa or Sanma province, can raise revenue appears to be from business license fees. The result is that quite different service level standards are available within quite close distances across administrative boundaries.

31. Government's policy is that no leases should be issued until housing plots are properly and adequately serviced. However lack of government (or other) funds to implement services has resulted in expedient leases being registered over inadequately serviced land. There is also little protection for parties to the usually informal agreements. This restricts people from investing in improving their houses. It is also difficult for service providers to deliver basic urban services.
32. Infrastructure planning and financing is the responsibility of the Government, with service delivery delegated from Government in various ways. The funding and implementation of infrastructure works comes through various central government channels but usually involves DESD and at least one of the operational departments. Private or quasi-public companies involved in this area include Unelco (electricity and water supply), and various real estate, subdivision and development companies such as Caillard Kaddour Ltd and Island Properties Ltd.
33. Local government is evidently well aware of the existence of informal settlements around Port Vila and Luganville, and also of the social, health and environmental risks these settlements pose. However, being aware of the problem and being able to resolve the issues presented are quite different. Luganville Municipal Council (LMC) instigated court proceedings against settlers in Pepsi alongside the Sarakata River and within the water reserve protection area, and used the Vanuatu Mobile Force (VMF) to remove families and houses. However, settlers re-occupied the area soon afterwards, allegedly with support from some local politicians and from SANMA province. Councils thereby conclude that the costs and effort involved are not worth the trouble.
34. Some informal settlements have made, or are in the process of making, the transition to an adequately serviced community. This is not an inevitable transition and the process needs to be more widely assisted.

1.6 Looking forward

36. The situation requires remedy at two levels:
 - In the community by empowering people to improve their own situation, such as through cooperative action or finding new livelihoods; and
 - At the level of national institutions, such as by reforming the housing market, increasing the availability of credit, adjusting the price of building materials, and improving the efficacy of urban management and planning.
37. Recommendations:
 1. Consideration needs to be given to alternative ways to provide basic services to poor households in the informal settlements, particularly ways that encourage environmentally sustainable self-sufficiency, such as duty exemptions or subsidies on building materials, water tanks or basic solar power kits.
 2. Given the demands on Government services, consideration needs to be given to encouraging NGO (including the churches) or private sector assistance to the settlements. Duty and VAT

exemptions could assist NGO and private sector bodies to bridge the gap between what the Government can provide and what urban residents urgently need.

3. Ways need to be found to enable these communities to evolve into more sustainable urban settlements. This includes providing them better access to information, more effectively including them or allowing their participation in decisions about the future of their community, more accountability from government, and increasing capacity in the community to organise joint action to improve their own living conditions.
4. Government needs to develop a comprehensive National Urban Growth and Housing Strategy and timeframe for addressing the shortage of affordable and adequately serviced housing.
5. Government should appoint a National Task Group to oversee this work comprising public, private and community sector representatives, to report back to Government, along with a recommended implementation plan, within 12 months of commencement.
6. Government should also discuss with donor agencies ways in which the National Urban Growth and Housing Strategy can be advanced and harmonised with other work programmed on the broader front of poverty alleviation.

2 Introduction

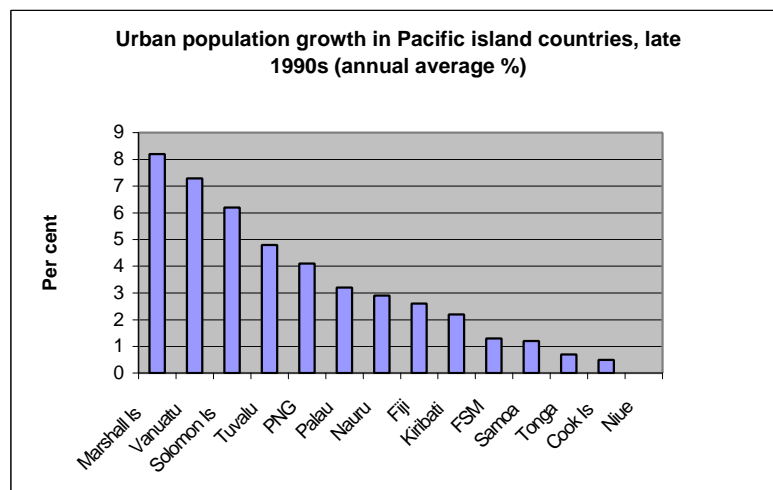
2.1 The purpose of this study

1. This study was commissioned by ESCAP and the Pacific Island Forum Secretariat, and funded by the British Government's aid program, DFID, and ESCAP in order to help the Government of Vanuatu meet the goals of its Comprehensive Reform Program in respect of poverty and urban planning. The study aims to assess the extent and nature of informal settlements in Vanuatu and identify ways to address social, planning and land issues affecting these settlements; that is to:
 - i) Provide a social and planning assessment of squatter settlement development in the Port Vila and Luganville urban areas;
 - ii) Review traditional, and administrative structures with respect to urban settlement management and administration; and
 - iii) Assess social development needs of tenants-squatters and outline how best these can be met.
2. As part of this study, a household survey was conducted in informal settlements in Port Vila and Luganville. Other information was gathered through interviews with government departments, other agencies involved in urban planning and management, and with NGOs that assist the residents of these settlements.
3. An informal settlement is one where people live in a way that does not accord with urban land-use or housing regulations and laws. These settlements often appear to be haphazard arrangements of ramshackle, inadequate houses. They often have no regular water or power supply or refuse collection. In some ? but not all ? informal settlements, the residents are 'squatters', that is, living there without consent of the landowners. This is often the case on public or government owned land. On private land, there is usually some agreement between the landowner(s) and residents. While the name 'squatter settlement' is more commonly used than 'informal settlement', the second name is used here because it is more inclusive and accurate for the situation in Vanuatu.
4. The main characteristics of informal settlements are that:
 - They begin and grow in an unplanned, semi-spontaneous, sporadic manner;
 - Initially at least, they comprise of predominantly low cost, temporary housing;
 - They have poor – or no - services, that is water supply, electricity, sanitation, drainage, roads, schools, health clinics, recreational facilities, etc;
 - Landlord-tenant agreements are usually informal, even verbal, and rentals often are *in-kind* payments; they provide little formal legal protection to either party; and
 - There often are other indicators of poverty, including high unemployment rates.

2.2 Urbanisation in Melanesia and Vanuatu

5. Urbanisation is the process whereby an increasing proportion of the national population comes to live in the towns. It is an almost universal corollary of modern economic development. Yet it is often seen as a major problem for Pacific island countries. First, it is occurring so quickly in the Melanesian countries of Vanuatu, Solomon Islands, Papua New Guinea and Fiji that it is overwhelming the capacity of urban services. Second, in Melanesia especially, urban development confronts a difficult meeting point of traditional and modern law, particularly in regard to land tenure and resource management.
6. As Connell and Lea describe it, urbanisation in Melanesia takes a quite distinctive form, one that is peculiarly based on the rights or non-rights to customary land of different groups of urban residents. Characteristic of Melanesian towns are rapidly growing uncontrolled areas of peri-urban customary lands, often on the fringes, and pockets of traditional villages now swallowed up by the expanding town. 'Modern offices, new tourist establishments and the expensive houses of the elite (still largely expatriate in most of the region) co-exist with the low-income Melanesian suburbs and place huge demands on the poorly developed network of infrastructure services' (Connell & Lea, 1993).

Figure 1



Source: SPC, 1997

7. Much of what has been written about Ni-Vanuatu urban settlement has been about migrants from rural areas and the extent to which their residence in town is likely to be short-term or permanent. A paper written in 1990, for example, was sub-titled 'Peasants on leave or a wage-dependent proletariat?'¹ The reason that this sort of question was being asked is that Melanesian migration to town was for several decades a short-term affair where, usually, young men came to work for a few years and then returned home with their cash savings. There was some sense that by their culture and attachment to their land, Melanesian people were likely to remain predominantly rural residents. 'As developing centres of

¹ G. Haberkorn, 1990.

colonial activity, Melanesian towns were made for Europeans, while at the same time Europeans felt that Melanesians were not made for towns' (Philibert, 1988:162). The ways that the towns were managed also contributed a good deal to this picture. Under the colonial administration, tight restrictions were put on the movement and residence of Ni-Vanuatu. Employers usually employed Ni-Vanuatu on short contracts as low-paid unskilled or semi-skilled labour and provided only barrack-type accommodation for single men, making it difficult for whole households to move to town for even a short period. After these controls ended in the 1960s, the assumption that Ni-Vanuatu were somehow immune to the pressures of urbanisation has proven quite false.

2.3 Current and future urban growth in Vanuatu

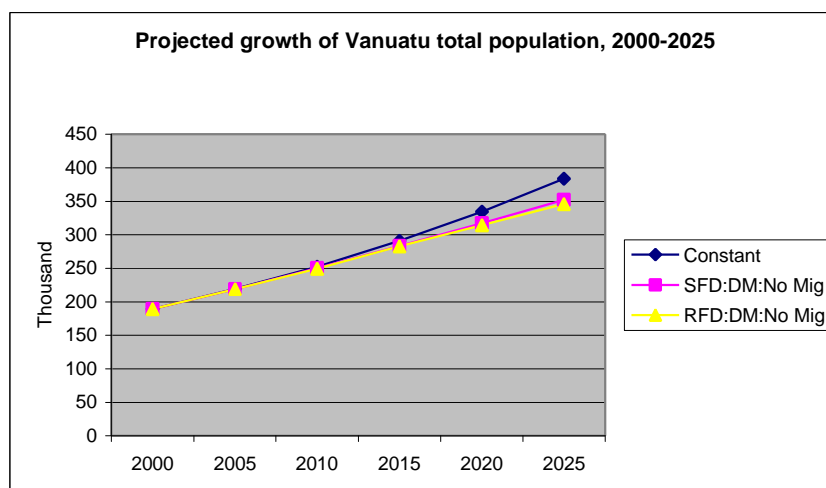
8. Vanuatu has a youthful, fast growing population. With fast social change, this population is becoming more mobile within the country. There is still little migration out of Vanuatu and therefore very little export of the effects of population growth, other than from Vanuatu's rural areas to its towns. In 1999, the urban population was 40,100, 21 per cent of the national population, and around one third larger than in 1989 when 26,300 people lived in Vanuatu's towns.

Table 2.1 Population characteristics, Vanuatu 1989-1999

	Vanuatu	Urban	Rural
Total population	186,678	40,094	146,584
Annual average population growth (%)	2.6	4.0	2.2
Youth population (under 15 years)	77,409	14,205	63,204
Economic active population (15-59 yrs)	94,699	23,135	71,564
Older population (over 60 years)	9,172	880	8,291
Median age (years)	18.8	21.0	18.1

Source: SPC, 2002

Figure 2



Source: SPC, 2002. Note: SFD: slow fertility decline; RFD: fast fertility decline; No Mig: no external migration

9. Over the 1990s, Vanuatu's urban population grew an average 4.0 per cent per year, almost twice as fast as the rural population. By world standards, this is very fast. Since the 1980s, Port Vila has trebled in size. In the process, the proportion of urban residents living in sub-standard, informal housing has grown even faster. Even if current government policies succeed in encouraging rural economic development, all reasonable projections show urban growth continuing. If no government action is taken now, the trend of faster growing informal settlements will also continue.
10. Vanuatu's urban population most likely will continue growing, in spite of policies that encourage a more even distribution of economic development throughout the country. If the present rate of growth continues, the urban population could reach 60,000 by 2008 and 80,000 by 2016. If this urban growth is not planned for and properly accommodated, Port Vila and Luganville could become overwhelmed with social, economic and environmental problems.
11. In Fiji, in the 1960s and 1970s, in a comparable period of urban growth, the Fiji Government invested in low-cost rental housing to accommodate low-income urban workers. The Housing Authority has faced problems, and the high density housing, especially in Raiwaqa, Suva, has been considerably criticised for its inappropriate design. But had this facility not been provided, Suva would now be a city of squatters. As it is, in the mid-1990s, it was estimated that 25% of the Suva population lived in informal housing (Fiji Government & UNDP, 1996.)

2.4 Accommodating population growth

12. Rapid urbanisation and the problems that come in its wake are not concerns that are particular to Vanuatu. Around the world, all human settlements, cities, towns and villages are under unprecedented social and economic pressures.²

² Habitat Agenda And Istanbul Declaration. Second United Nations Conference On Human Settlements, June 1996.

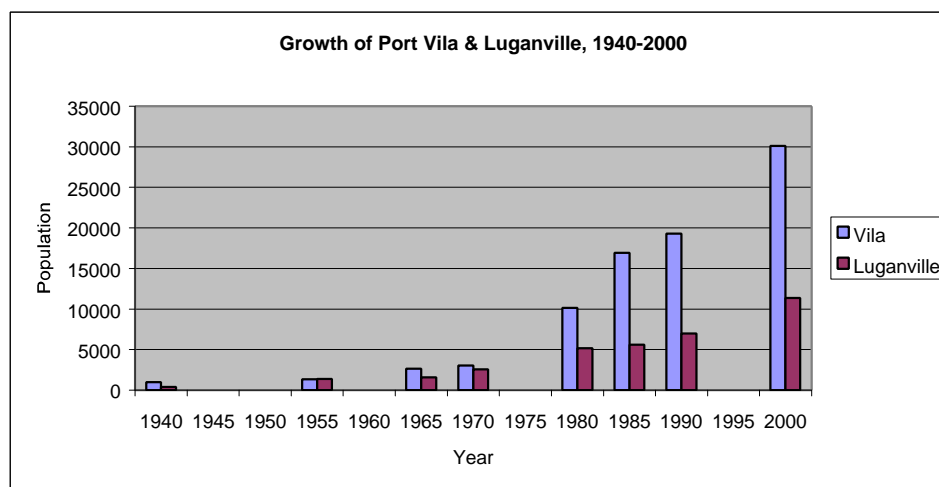
13. Political statements, action plans, and donor policies are regularly targeted at stemming urban drift and encouraging outer island and rural development. Migration and urban growth are often described as undesirable types of change that can and should be slowed or stopped. But everywhere in the world, this has been found hard to do. Migrants from rural areas cause some of the urban growth. But a significant part of the growth comes from births within the urban population itself. The best way to manage urban growth is through well-planned urbanisation and modernisation programs that come to terms with the inevitable growth and set out to adequately accommodate it. Otherwise, Vanuatu's towns could soon be beset with poverty and social problems.
14. As this study shows, urban poverty is already a pressing concern in Vanuatu. A large proportion of urban people are forced to live in sub-standard, unhealthy conditions. Affordable housing and basic services are scarce. Unemployment or under-employment is common. Uncertain land tenure contributes to the insecurity and other difficulties of squatters. This situation exists largely because of the failure of the urban housing and land markets, in particular:
 - The high cost of housing construction;
 - The lack of affordable credit to low and middle income families;
 - The small amount of land for urban housing coming available, in part because of the slow pace of regularising tenure;
 - Insufficient government, and other, funds to implement services;
 - Other restrictions on service provision;
 - Lack of alternative urban housing that is affordable for low-income households; and
 - Poor co-ordination of urban infrastructure planning issues within Government.
15. The situation requires remedy at two levels:
 - In the community by empowering people to improve their own situation, such as through cooperative action or finding new livelihoods; and
 - At the level of national institutions, such as by reforming the housing market, increasing the availability of credit, adjusting the price of building materials, and improving the efficacy of urban management and planning.

3 The extent and nature of informal settlements in urban Vanuatu

3.1 Overall urban development

16. There are only two urban centres in Vanuatu: Port Vila, the capital, and Luganville, a much smaller town on the northern island of Espirtu Santo. These towns were small and fairly evenly sized until the late 1960s (Figure 3). Since then, the population of Port Vila has grown almost 10-fold. If the current (1989-1999) growth of Vanuatu's towns continues, the urban population will almost double by 2015.

Figure 3.1



Source: S. Mecartney, 2000, citing Bennett, 1956; Bedford, 1973; Brookfield & Glick, 1967, Haberkorn, 1987, Vanuatu Urban Census, 1986, and Vanuatu National Census, 1989 & 1999.

Note: No data available for 1945, 1950, 1960, 1975 and 1995. Other values adjusted to nearest 5 year interval.

17. Port Vila dates back to a mission station and trade store established near Iririki in the 1870s and 1880s (Haberkorn, 1989). It was only in the 1930s that Port Vila became a settlement of any size, when its population grew to around 1,000 through an inflow of European settlers and administrators and Asian (Chinese, Japanese and Vietnamese) artisans, farmers and labourers. Each ethnic group lived quite separately from one another, carefully segregated in their own enclaves. The residence of Ni-Vanuatu in Port Vila was tightly restricted by the colonial administration. In its compartmentalisation of the town by ethnicity and the almost complete exclusion of indigenous people, Port Vila was typical of colonial towns throughout Melanesia, and most other Pacific island countries of that time (Haberkorn, 1989).
18. In the early 1940s, the Second World War wrought big changes in urban life. A large contingent of US military was stationed in Vanuatu. In Port Vila, the US Army expanded the urban infrastructure by building the Bauerfield airstrip at Tagabe, a major hospital at Bellevue, wharves and warehouses behind Iririki Island, storage dumps at places called No. 2 and No. 3 (now known as Nambatu and Nambatri, respectively) and a network

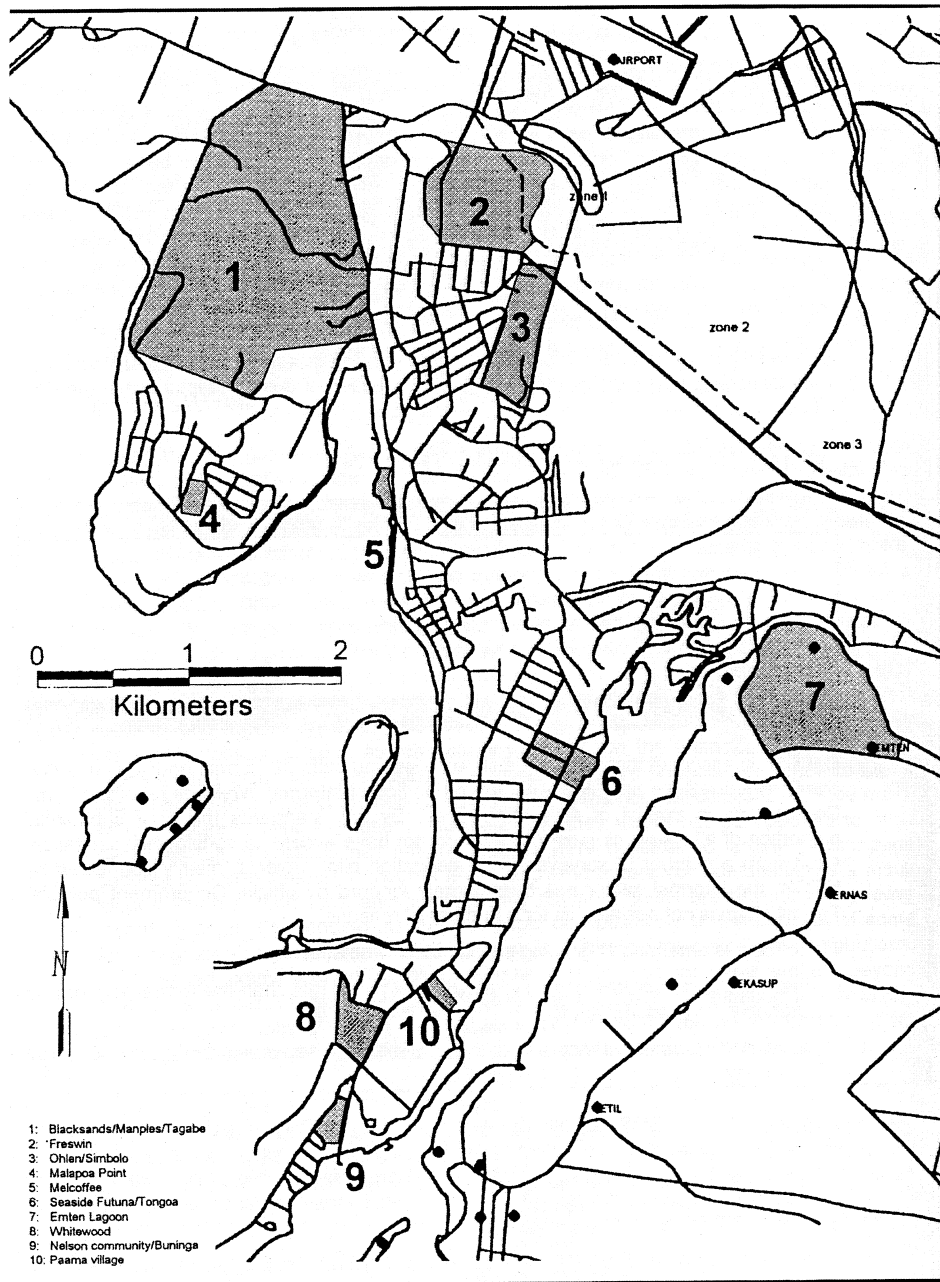
of roads to connect them. On the northern island of Santo, Luganville sprung up as a major military supply base to service the Pacific Theatre. From 1942 to 1945, more than 100,000 US servicemen were stationed there. During the war years, around 10,000 Ni-Vanuatu worked for the American forces in Port Vila or Santo. For most Ni-Vanuatu, this was their first contact with urban life. This urban experience greatly influenced employment and mobility patterns after the war (Haberhorn, 1989).

19. In the fifty years since the War, Ni-Vanuatu migration to town has reflected economic trends in the country. In the 1950s, Ni-Vanuatu migration to town was held down by a rural labour shortage; high copra prices encouraged Ni-Vanuatu to produce their own copra, rather than work on European plantations, and indentured Vietnamese workers moved to town as their work contracts expired. Wallisian and Tahitan workers were then imported, but in the 1960s they too moved to the towns as their contracts expired. Faced with a shortage of plantation labour, the colonial government relaxed its controls on Ni-Vanuatu employment and mobility. Although still a small minority in the towns, the number of urban Ni-Vanuatu grew quickly, largely through in-migration (Haberhorn, 1989).
20. Since then, the urban economy has progressively grown and diversified, attracting more Ni-Vanuatu to town seeking wage employment. After Vietnamese workers were repatriated in the early 1960s, more jobs were available for Ni-Vanuatu workers as well as for a new wave of imported labour from British and French-controlled Pacific Islands, such as Kiribati, Fiji, and Wallis and Futuna. After Independence in 1980, the growth of Port Vila accelerated. Public sector jobs expanded, and more of them went to Ni-Vanuatu citizens. Over the years, opportunities for formal education have widened, providing many more Ni-Vanuatu with opportunities and aspirations for wage employment, which is still mostly located in the urban sector. Although the urban population has become much more heavily Ni-Vanuatu, most Ni-Vanuatu live in peri-urban areas and the informal settlements that dot the town and mark its fringes.

3.2. The expanding informal settlements

The main settlements

21. Port Vila encompasses both the area designated as Port Vila Municipality in 1980 (which essentially is government-owned land), and surrounding areas that lie between the Municipality and the outlying villages of Ifira, Pango, Erakor and Mele, but which are administratively within the local government area of SHEFA Province. Some informal settlements lie beyond the metropolitan boundary but derive their existence from the urban economy. Luganville is more easily identified as the area within the town's gazetted boundary, although there is dispute about remaining areas of allegedly uncompensated land. Most of the informal settlements are either within the municipal boundary or in the zone of disputed land. As Table 4 at the end of this chapter indicates, these settlements are quite diverse in their tenure, living conditions and social organisation.



DB/MNP2/UGMS

FIGURE 3.2 PORT VILA MAIN INFORMAL HOUSING SETTLEMENTS 1997

Figure 3.2 Location of informal settlements in Port Vila (ADB, 1997)

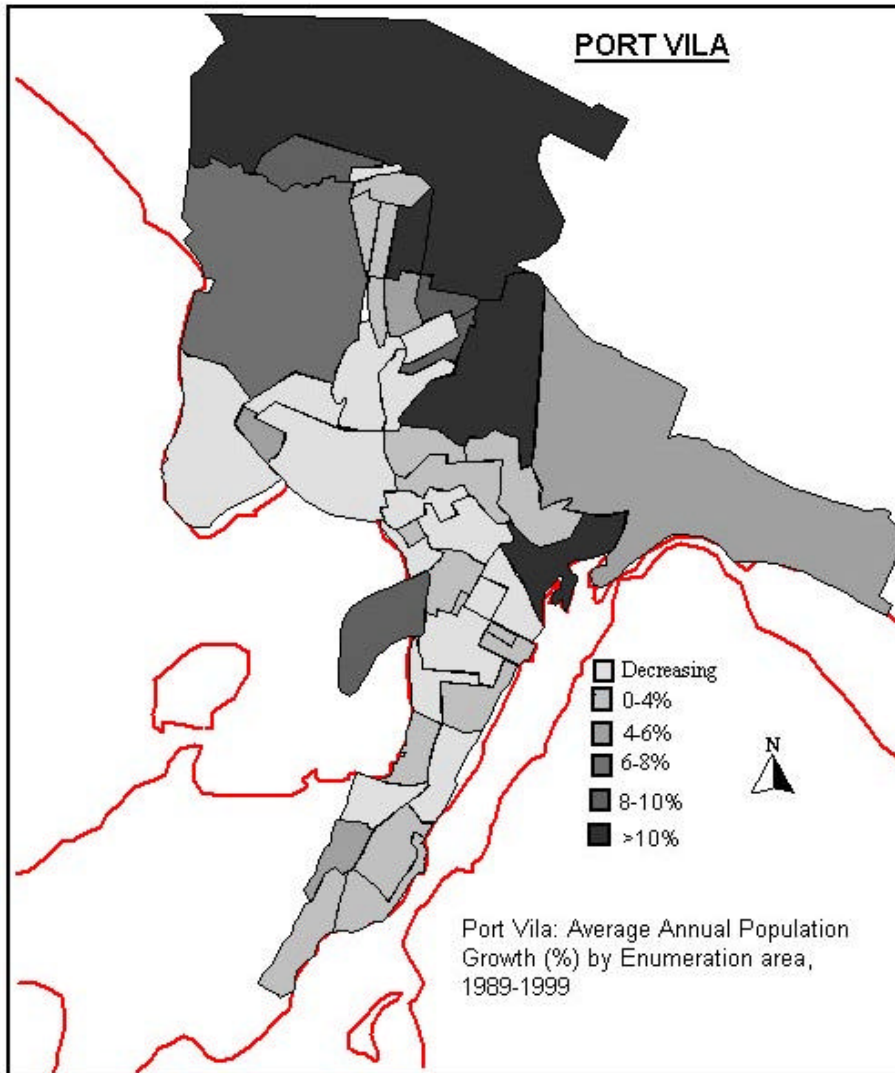
Patterns of growth

22. It is not possible to precisely measure the number of people who live in the informal settlements from census data (and there is no other available source). The boundaries of census enumeration areas do not all coincide

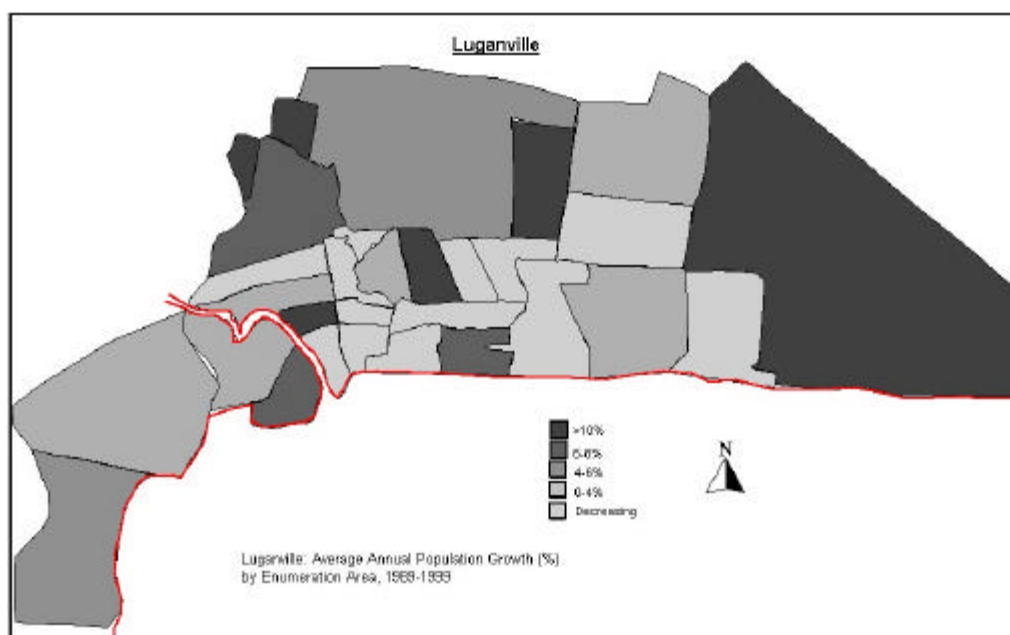
with the boundaries of the informal settlements. Some enumeration area boundaries also changed between the 1979 and 1989 censuses. The only populations that can readily be measured are those of the older settlements of Seaside and Blaksans/Manples. These places alone accounted for 16% of the population of Port Vila in 1979 and 21% in 1999.

23. Census data can show up general patterns of urban growth. Between the censuses of 1989 and 1999, Vanuatu's average rate of urban population growth was 4.0 per cent. It was very much higher on the urban fringes, and this is where many of the informal settlements are located (Figure 3.3).
 - In Port Vila, the population grew an average 4.2% per year. The fastest growing areas ? Agathis East, Bauerfield, Freswin, Freswota, Tagabe East and North, Simbolo, and Ohlen ? grew at more than double the town's average rate. Older established informal settlement areas, such as Blaksans, Nabatri and Agathis, grew more slowly, although still faster than the average rate.
 - In Luganville, the population grew an average 3.8% per year. Areas that grew much faster than this were again those where the largest informal settlements are located: Sarakata, Pepsi, Rowok, La Milice and St Michel.

Figure 3.3: Patterns of urban growth in Port Vila & Luganville, 1989-1999



The fastest growing areas in Port Vila are to the north: Freswota, Agathis, Bauerfield. Naburu, Ohlen and Tagabe North also grew around twice as fast as the average rate for Port Vila (see Table 1, Annex 5).



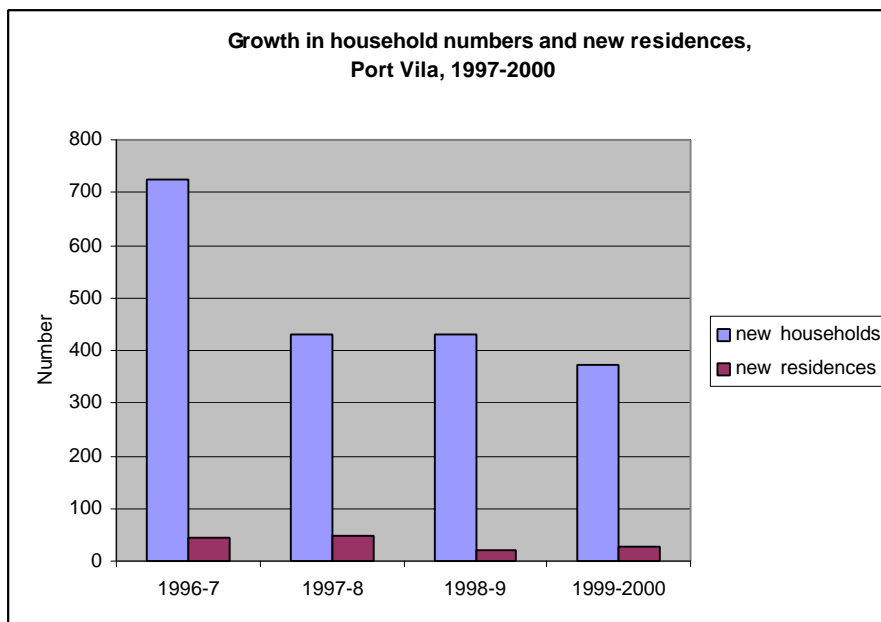
The fastest growing areas in Luganville are Pekoa, Sarakata South, Rowok, La Milice and Sapi West. (See Table 2, Annex 5.)

24. The pattern of this growth mainly reflects the distribution of uncertain or disputed land tenure in and around the metropolitan areas.
 - The Port Vila Metropolitan Area was gazetted in 1980. Informal settlements have grown on custom-owned land, this being either land over which ownership is contested or where custom owners have made personal agreement with the settlers, such as on the land owned by Ifira people at Blaksans and Man Ples. At Freswin, people were invited to settle in return for providing political support to the apparent land owner. At Freswota 4, people were invited to settle to maintain their patron's claim to the land. Ohlen Mataso and Seaside both hold community leases of government-owned land but there is no requirement that they conform to urban standards.
 - The Luganville Metropolitan Area was also gazetted in 1980 but the Government did not pay compensation for some of the land the township uses. This has caused some tension between the three political arms, namely parliamentarians, municipal councillors and local government [SANMA] councillors. Most informal settlements are on government owned land, such as that set aside for the water reserve alongside the Sarakata River, and on the land that has been assumed by Government but for which final compensation has not been paid.
25. On a broader scale, this pattern of informal settlement growth reflects the shortage of affordable housing in the urban areas. When census data is matched with housing approval records,³ there is a big difference between the large increase in the urban population and the much smaller number

³ Collected by National Statistics Office

of officially approved new dwellings. This suggests that many urban households have been pushed into informal housing over the past decade by both the unavailability and high cost of formal housing. As explained previously, this situation will almost certainly quickly deteriorate as the urban population continues to grow.

Figure 3.4



Note

: based on numbers of building permits issued and estimated population growth.

Source: Derived from National Statistics Office, 2001

Slower growing settlements

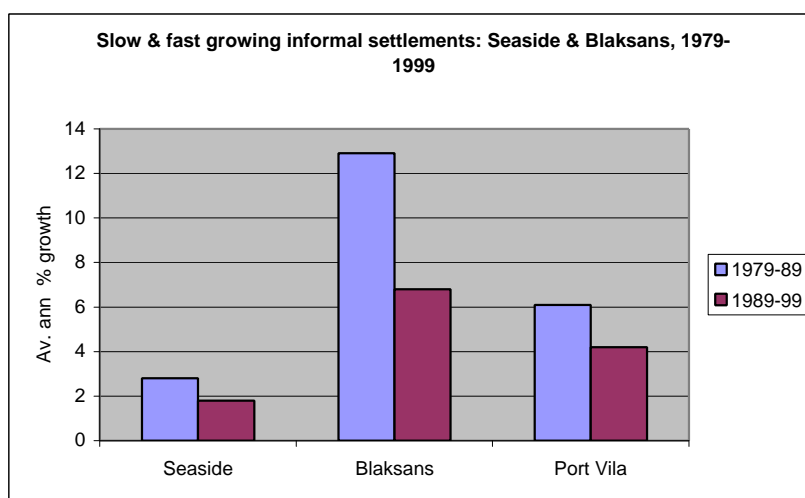
26. In Port Vila, since 1979 the long-established settlements at Seaside (Tongoa, Paama and Futuna) have grown at only half the town's average rate, probably because Seaside was already densely built-up in the late 1970s. As well, its boundaries are clearly demarcated by roads (although some residents have now spread across the road onto the hospital grounds). The population grew only 60 per cent from 1979 to 1999. Yet the extent of crowding that has occurred in the settlement is evident in that average household size grew over that period from 4.8 persons in 1979 to 5.9 persons in 1999. Tight community cohesion within Seaside by island group, their concern for the somewhat derogatory reputation of their community, and also little space for more building, together constrain future growth.
27. Similar constraints act on the growth of densely occupied pockets of informal housing that are set among formal subdivisions at Nambatri, Simbolo and Freswota 4. These settlements are also mostly occupied by people who come from one island or village. Here too, social controls and clear subdivision boundaries may help limit future growth.
28. In Luganville, the long established squatter settlement at Mango has grown from around 200 in the early 1980s (Ala, 1987:199) to 293 in 1988 and 382 in 1999. Some settlements, principally Chapuis, have been regularised

through the issuance and purchase of land titles. With this security has come a visible improvement in housing quality.

The faster growing settlements

29. In Port Vila, Blaksans and Manples have spread considerably across the Malapoa Reserve over the past 20 years. Their joint population has grown more than seven-fold. Average household size has dropped from 5.7 persons to 5 persons, in part because the area is not densely settled but, more significantly, because many households live in rental 'rooms', which usually house 2-3 people. Blaksans has had a large increase in population since around 1997⁴. There has also been a proliferation of newer settlements, including extensive, dense housing at Ohlen (Mataso, Freswin and Whitewood), often on land with disputed ownership. In Luganville, the fastest growing settlements are at Pepsi and Sarakata, along the banks of the Sarakata River.

Figure 3.5



Source: 1999 National census

3.3 Living conditions in the settlements

Residents' main needs and problems

30. The household survey conducted for this study asked settlement residents about their main needs and problems. With few exceptions, they identified their problems to be:
- Lack of services: water supply, electricity for lighting, rubbish collection, public transport;

⁴ Mecartney (2000) estimated a 47 per cent growth in population from 1997 to 2000.

- Poor living conditions: poor housing and unhealthy surroundings, particularly from poor drainage; and
 - Difficulty in meeting their basic needs for food, clothing and money because of insufficient incomes or jobs.
31. Insecure tenure underlies the poor living standards that most residents endure in the informal settlements. On the one hand, Government will not allow leases over Government-owned land until plots are adequately serviced with water, electricity, drainage and sewage. On the other hand, municipal councils have insufficient resources to provide these services. As a result, the process of legalising housing plot leases is too slow to keep up with demand. This restricts people from investing in better housing. Some traditional landowners, furthermore, are unwilling to allow construction of permanent houses or provision of water or electricity services because they fear they may thereby lose control over their land. Most households in the informal settlements pay no land rent, because they are squatting on government or privately owned land, or because they have an agreement with the traditional landowners to 'look after' the land, or because the land is disputed and either no-one asks for the rent or can demonstrate that they are the right person to claim payment. The downside to this arrangement is that the settlers are hesitant to invest in improving their house because of the uncertainty of their position. Most families own the house that they occupy, or another family member does. There is, however, a sizable group of renters who pay anywhere from 2,000 to 15,000 vt/mth (but typically 4,000 – 5,000 vt/mth). These people often reported problems with their house (most often that it leaked) or with their landlord (most often that he or she would not make repairs). These renters often have to endure quite difficult living conditions, including sharing toilets and wash-rooms with several other families. Although Vanuatu law provides protection for tenants, these do not apply in this informal market.



Living conditions in the informal settlements are generally very poor, with poor housing; crowded living conditions; poor drainage; very limited water and electricity supply, and poor sanitation.

Housing

32. Housing conditions range from adequate to very poor. Most housing is self built from whatever materials are available, mainly corrugated iron, wood, traditional thatch and bamboo, and recycled pieces of tin, plastic and wood. Affordable building materials are in short supply. In the more dense settlements, people complained about crowded living conditions. Houses are built very close to one another, and there is little privacy, even by Ni-Vanuatu standards.
33. There is a vibrant informal rental market in the settlements. More established households, or those with some claim on tenure, often rent out "rooms" to tenants, generally in a barrack-like building with a row of individual rooms. These generally mark the bottom of the housing market: small, often crowded, and with little ventilation. The cost of rentals is high relative to household incomes. (Habitat Vanuatu reports rents of 8,000 – 15,000 vt per month in the Namburu, Ohlen and Manples areas.)



A boy sits in the doorway of his family's rental room; the other door belongs to their neighbour. Each of the three rooms in this building is approximately 10 ft sq. Tenants share a toilet and kitchen. These recently built rooms were in good condition, compared to others in the settlement.

Roads

34. There are few public roads and those that exist are generally in very poor condition. On privately-owned land, there often is no agreement on easements becoming public roads, and no consideration given to proper channelling and curbing.

Water Supply

35. Only a few residents have water meters and a regular water supply. To get a water meter, the household must have secure and licensed tenure over their block of land. Some people interviewed in the settlements said that political favouritism can by-pass this requirement and expressed frustration both at rigid bureaucracy and the informal ways some people can circumvent it.
36. The desire for water connections is more than simply to get water, but also to be able to break from paying exorbitant rates or be involved in neighbourhood disputes. In Luganville, much more so than in Port Vila, households want to have a small tank to collect rainwater, which is another way to have an independent water supply.
37. Some households share a meter, which sometimes causes disagreements. People with metered supply sell water to their neighbours, seen as quite a legitimate business, and charge 100vt – 200 vt per 44 gallon drum. Without taking into account other subscription and one-off water connection charges, this represents an effective price of 750 – 1,500 vt per 1m³, or a 10–20+ fold increase over the equivalent top tier price for piped water. Most households can afford to only use one to two drums of this water per week, saving it for cooking and drinking, and bathing and washing clothes and food utensils in nearby rivers, despite their considerable pollution.
38. Many of the surveyed households in Ohlen Mataso, Ohlen Freswin, Freswota 4, and Nabatri in Port Vila, and Sarakata and Pepsi in Luganville, reported that they bought water in this way. (ADB (2001) reports that it is a common characteristic of informal settlements throughout the world.) Even in the long-established settlements at Seaside and Blaksans, which are relatively well-off, few households had their own water connections. In Seaside, only 25 % of households had their own supply.⁵ Of the households surveyed in Blaksans, 11 % had piped water and another 15% had their own tank. The rest (74%) relied on a community tank, well or river, or bought from houses with a piped supply.⁶ The number of households with their own water supply would be much lower in the less established settlements.
39. Estimates vary as to minimum requirements for households for water. ADB (2001) estimate this to be 20-30 litres per person per day, with opportunities to buy more. The UN cites a figure for Africa, widely used, that the daily minimum requirement for sanitation, bathing and cooking is about 50 litres per person [or approximately 20m³/person/year] – reduced to 40 litres *per household* [assuming 8 persons per household] if bathing needs are catered for by use of an adjoining water body. This compares with a daily water supply standard in the developed world of between 250 and 300 litres/person/day. For an average family of 5 at the minimum standard this represents approximately one 44-gallon drum of water per day. The reported budget of two 44-gallon drums of water per week is significantly below this minimum.
40. Without taking into account incidental expenses, at 200vt/drum, a household now spends up to 20,800 vt a year for 104 x 44-gallon drums or 20.8m³ of water. This same amount of money would purchase 472m³ of

⁵ 1999 National Census

⁶ Household Survey, 2002

water – setting aside connection and subscription fees - directly from UNELCO. This represents some 9m³ per week, or six 44-gallon drums per day. The real cost of non-supply to individual families is inflated for two reasons:

- For the same amount of money their water needs would be more than adequately met with absolutely no need to so tightly limit their water consumption;
- They would unlikely spend the same amount of money on water and therefore have more disposal income for other needs.



A woman carries water from the water seller to fill her family’s 44 gallon drum. At the high price – 100-200 vt per drum – many households can afford only two drums per week. For washing and bathing they use the polluted Tagabe River.

Sanitation

41. Most households in the informal settlements depend on pit toilets: either a basic pit toilet, often an uncovered hole in the ground with some surround, or an improved pit toilet with pour-flush facility or ventilation. More than one quarter of households share toilet facilities, with sometimes 6 households (usually in rental rooms) sharing a single pit toilet.

Table 3.2 Urban toilets (type used as percentage of households)

	Basic Pit	Improved Pit (Pour Flush or Ventilated Improved Pit (VIP))	Flush with septic tank
Port Vila general	17	19	64
Informal settlements*	21	69	10
Luganville general	23	33	44
Informal settlements**	55	26	19

Sources: 1999 National Census for general urban populations; Household Survey for informal settlements.

Note * Information available for Blaksans, a relatively well-developed settlement; conditions are worse elsewhere (except Seaside). ** Surveyed settlements: Sarakata Central, Mango, Pepsi, Sarakata, St Michel.

Drainage

42. Informal settlements often occupy marginal land, including river banks and flood-plains. The settlements at Ohlen (Mataso, Freswin and Whitewood), alongside the Tagabe River, are regularly flooded even in moderately heavy rain. Unchanneled water washes across the ground and into some houses, bringing with it the uncollected garbage and the contents of pit toilets. It collects in the dips at the bottom of the road, making it impassable to cars. In Luganville, people living at Pepsi and Sarakata near to the Sarakata River also complained about the waterlogging and flooding of their land and houses.

Electricity

43. Many residents aspire to have electricity, mainly for lights, but very few houses are connected to the mains supply. A very few have their own solar power. Few households have electrical appliances other than a small radio. Very few have televisions; most cook with firewood or gas.

Health services

44. Both Port Vila and Luganville have a network of health clinics that supplement hospital facilities. Together they constitute a hierarchy from quite basic to specialised services. People often by-pass their local service to go to the more specialised service. For example, of the households interviewed at Blaksans, half (51 %) had some reason to use health services in the past three months, mostly to treat malaria, fevers, flu or sores.⁷ Of these visits, 76 % were to Vila Central Hospital. Despite their greater proximity, only 8% were to the local Blaksans clinic; 4 % to the Anamburu or Anglican Clinics; and 10% to the clinics at Tagabe or Mele. This 'jumping up' the hierarchy is a universal problem for health service management. It can reflect just a general expectation that the higher-level service will be better, or real dissatisfaction with local clinics. (This could be a subject of a study itself.) The point here is that physical access to health services is evidently not a special problem for settlement residents, except perhaps in an emergency for there are very few phones or public transport.

Schools

45. Schools are also distributed throughout the urban centres. Which ones children attend is often a quite complicated decision, based more on quality of education, cost, and possibly church affiliation, and less on accessibility (other than as it affects cost). Getting to school is less a problem for settlement residents than paying for it. (School fees at Government primary school in Port Vila are around 2,000 vt for each of 3 terms a year; at secondary schools they range around 27,000 vt per term.) Even so, of the households surveyed in Port Vila, only 15 % had one or more children (ie

⁷ In 28% of households surveyed in Blaksans, one or more people had malaria in the past three months.

under 16 years) out of school. In Luganville, it was slightly less, at 13%. Most of these children were 13-15 year olds.

Other services

46. Although physical access to health and education services may be available, people in the settlements have poor access to other important urban services such as public transport and security. Because of the lack of lights at night, few telephones, bad roads, very little public transport and, reportedly, the reluctance of the police to intervene, people have difficulty summoning outside help when they need it. Given the poor, often crowded conditions, in the household survey surprisingly few people listed community disturbances as significant problems. There were complaints about noise, such as a neighbour's generator that prevented people from sleeping, fights between spouses, and community disputes about land, land rents, or payment of water bills. Some people also spoke about stealing from houses and food gardens. Interviews with NGOs and other organisations working in the settlements however found that overcrowding, high unemployment and poor living conditions do take their expected consequences: in quarrels within families and between neighbours, drunken fights, and other disturbances.

Table 3. 4 Description of main settlements

Settlement	Residents	History and tenure
<u>Port Vila</u>		
Beverly Hills	Most people from Ambrym	The settlement began in 1996 when this community was asked by landowners to move from Elluk. Twenty-two families together purchased four blocks of land at Beverly Hills and settled there, living in a village-like manner among the new residences of this middle to upper market housing subdivision. Permanent houses are being built with help from Habitat Vanuatu. The settlement is informal in that it does not conform to subdivision standards.
Blaksans	Most people from Tanna but also from most other islands, with no distinct island grouping of houses	First settled in the 1960s, this is one of the largest and most diverse settlements. The land is owned by the Ifira Trust and tenancy is agreed to between residents and landowners, although there are also many sub-rentals (McCartney, 2000). Less crowded than most other settlements, Blaksans is considered one of the better settlements in which to live.
Freswin	People from many islands	This settlement grew in the mid 1980s after the customary landowner invited people to live there in return for political support. Customary ownership is now disputed by several claimants. Some residents are insecure, not knowing whom to deal with. A private land development company (Caillard Kaddour Ltd.) is regularising tenure and selling blocks to whoever can afford them, evicting some settlers in the process.
Freswota 4	Most people from Tanna	In the late 1980s, the landowner requested Tannese people living at Erakor Beach to move onto this land to protect his claim to ownership. The leader of the community maintains an agreement with the landowner. Freswota is the

The Extent and Nature of Informal Settlements in Urban Vanuatu

		site of a formal subdivision managed by the National Housing Corporation. Residents fear eviction by NHC or that NHC will require them to move into rental housing, although they would prefer to improve their own houses.
Manples	People from many islands	This long-established settlement has grown through political patronage. Many residents are members of the National United Party. Through this affiliation, living conditions here are relatively good.
Nabatri	Most people from Paama	This is a long-established and densely populated settlement that is squatting on privately-owned land, among formal residences.
Ohlen Mataso	Most people from Mataso	Residents are mostly from Mataso by descent but many are long-term Vila residents. The community was relocated here by Government in the early 1990s, from the site of the new Parliament House. The community pays an annual ground rental to Government but have no services.
Seaside	Three separate communities defined by home island: Paama, Tongoa and Futuna	This long-established settlement has grown on a land leased by one person, now transferred to the community and subject to court determination. There are few services and no conformity to municipal standards.
Sepolo	Most people from Tanna	The leader of this small community has an agreement with the custom landowner and decides who can join the settlement.
<u>Luganville</u>		
Central	People from mainly northern islands	Many households relocated here after tenure was regularised in Chapuis.
Mango	People from all islands	This was originally a Vietnamese settlement, constructed from old scrap metal taken from war wrecks left behind by American troops. After the Vietnamese were repatriated in the 1960s, the company that owned the land, Ballande Vanuatu, used the settlement to house its Ni-Vanuatu employees. These people came to Santo from all over Vanuatu, to work on Ballande Vanuatu's plantations, docks, stores and ships. ⁸
Pepsi	Most people from the Banks Islands, Ambrym, Pentecost or Paama	This quite large settlement on the Sarakata River bank grew mainly through political patronage.
Sarakata	People mainly from northern islands	People moved to settle this area mainly because space was available and the Luganville Municipality could not enforce regulations to maintain it as a water reserve. Some households pay land rents; others are squatters.
St Michel	People mainly from northern islands	Community living with consent on church-owned land.

⁸ Ala, 1987.

4. Characteristics of households in the informal settlements

4.1 The household survey and other information sources

47. Information for this study was gathered through a household questionnaire survey that was conducted in seven settlements in Port Vila (Blaksans, Freswin, Freswota 4, Nabatri, Beverly Hills, Olen Mataso, and Sepolo) and five settlements in Luganville (Sarakata Central, Mango, Pepsi, Sarakata, and St Michel). A total of 390 households were surveyed; 230 in Port Vila and 160 in Luganville. The survey was conducted in Bislama by trained enumerators, who were recruited from local NGOs (Wan Smolbag Theatre and Red Cross) or had previous survey experience with the Department of Statistics or other government departments. Most often, the respondent for the household was a woman, usually at home doing domestic work. Almost always, the head of the household was identified as the senior man.
48. The questionnaire included questions about the size and age/sex composition of households, education, current employment, other sources of livelihood, cost of living, mobility, and main needs and problems. The pretest of the questionnaire included a question on household income but this question was dropped as the accuracy of the information was dubious. A question about cost of living was included to allow the measurement of a subjective poverty line. Also dropped from the Port Vila questionnaire were questions about housing type and access to water and electricity, as this information was collected in the 1999 census. Unfortunately the computer at the Department of Statistics was affected by a virus while the survey was underway. Tables for the Port Vila settlements could not be made available to this study. Information about housing and services, however, was gathered in other parts of the survey (mainly the questions on needs and problems) and from other interviews and sources, and the questions were restored to the questionnaire for the Luganville survey.



The survey was conducted in Bislama by trained enumerators, who were recruited from local NGOs or had worked on government surveys

49. Besides the survey, information for this section of the study was gathered from:
- (i) The enumerators, young men and women, most of whom lived in informal settlements, knew about how the information they were gathering accorded with their own experiences and knowledge;
 - (ii) Organisations working in these settlements, including Habitat Vanuatu, VANWODS, and Vanuatu Women's Rights;
 - (iii) Members of the Government's Social Equity Committee, who were knowledgeable about living conditions either generally or specifically through their own work;
 - (iv) Staff of national and local government bodies, including the Department of Statistics and the Ministry of Lands; and
 - (v) Other research studies and official reports, such as the Vanuatu Poverty Analysis, 2001.

4.2 Age and sex composition

50. A most visible characteristic of the settlements was the large number of children playing around. This gives the impression that families are large, with many children. In fact, the populations of the settlements are more heavily adult (ie over 15 years old, in the economically active age group) which is not surprising in communities where there are many labour migrants. Children under the age of 16 years comprised 33 per cent of the survey population. People under the age of 20 years comprised 43 per cent of the survey population. There were few aged people; people over 60 years comprised only 3.5 per cent of the survey population. By far the majority of households were nuclear, that is parents and their children. Other common types were three-generational or multi-family, where several relatives lived together. The size of households averaged around 5.5 people, but the range was very large, from 1-2 persons up to 9-10. Few households were said to be headed by women, although more so in Luganville. With adult sex ratios at 106 and 104 for Port Vila and Luganville respectively, the population is fairly evenly balanced by gender.

Table 4.1 Size and other characteristics of settlement households

	Port Vila settlements	Luganville settlements
Average household size	5.4	5.7
Average number of adults per household	3.3	3.3
Average number of children per household	2.1	2.4
% Households headed by a woman	4.3%	9.3%
% Nuclear households	60%	69%

Source: Household Survey



Children are a visible part of the community, but the population of informal settlements is more heavily adult.

4.3 Patterns of mobility and permanence

51. The household survey asked the following questions about the past movements of people living in the settlements and how long they had been living at their present place:
- (For each household member), where was he or she born?
 - (For each household member), when did he or she move to this settlement?
 - Where was he or she living right before moving to this settlement?

Rural-urban mobility

52. Figures 1 and 2 show that the rate of in-migration to towns is increasing (the figures for 'since 2000' naturally represent less than 3 years). As census figures demonstrate, the populations of Port Vila and Luganville certainly are growing through the movement of Ni-Vanuatu from rural areas, although they are also growing from local births. While circular migration is still important, by no means are all urban migrants only temporary residents in town. Nor are all residents of informal settlements newcomers to town, or likely to return to rural areas. Many were born in town or have lived there most of their lives. In the household survey, almost no one said they planned to leave town and return to their rural village.

Urban-urban mobility

53. Figures 1 and 2 also show there is a mobile population of households that move to informal settlements from another urban place, usually from another informal settlement.⁹ That is, many people living in informal settlements are not newcomers to town, but long-term urban residents.

⁹ Mecartney, 2000, found that only 5 per cent of the households she surveyed in Blaksans had consistently lived there for ten years or more.

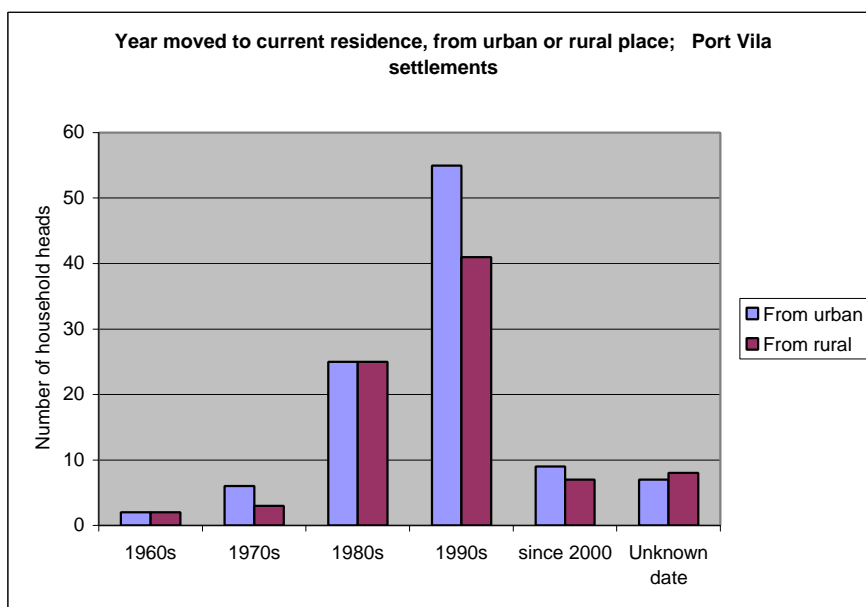
(The survey found a few households that had moved between towns, that is, from Port Vila to Luganville, or vice versa, but this was not common.)

54. There are several reasons for this mobility within the urban area:
- Tenure is insecure in some settlements. In Port Vila, some landowners have been removing real 'squatters' from their land, including at Malapoa and Elluk.
 - The Government has regularised tenure in some areas, such as Sapi and Chapuis in Luganville, and Freswota and Namburu in Port Vila, and this has forced some households to move. The large settlement at Ohlen Mataso was moved there by Government in the early 1990s in order to clear the site of the new Parliament Building.
 - Many residents rent rooms in the settlements, and move on to another place after a few months when they cannot pay the rent.¹⁰
 - Disputed land can attract families from other settlements, for there sometimes is no one to collect land rent, or because individual landowners invite new settlers in to strengthen their own land claims or give political support.
 - Informal settlements are often in areas that are vulnerable to natural disasters. Cyclone Dani in 1997 caused flooding along the Tagabe River, and some families living there moved to the relative security of Blaksans.¹¹
 - Economic downturns have also contributed to this urban-urban movement. Mitchell (1998) attributed some growth in informal settlements to the decline in real income per capita of Ni-Vanuatu since 1993 and the static job market. Mecartney (2000) noted that some urban Ni-Vanuatu who lost jobs through the down-sizing of the civil service in 1997 moved from formal to informal housing areas.

¹⁰ Mecartney, 2000.

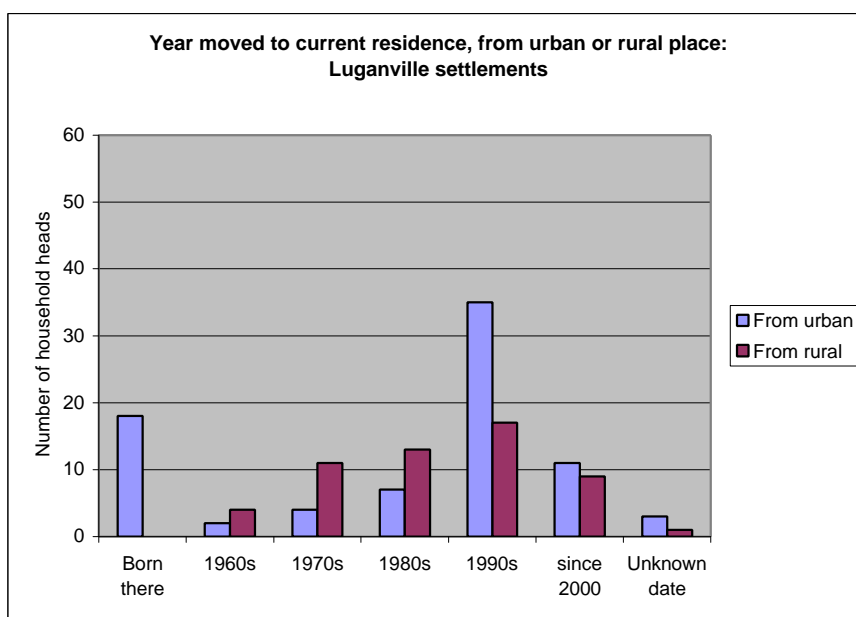
¹¹ Mecartney, 2000.

Figure 1



Source: Household survey

Figure 2



Source: Household survey

Migration by island of origin

55. The age of each settlement is related to its land tenure and organisation. Some settlements are predominantly people from one island or province,

usually with some spouses from other places. Examples of quite homogenous communities are:

- The small settlement beside Beverly Hills: This began in 1996 when a group of Ambrym people who had been living at Eluck were asked to move. Twenty-two families together purchased four plots of land in Beverly Hills and settled there, living in a village-like manner among the new residences of this up-market housing subdivision.
 - Ohlen Mataso: Residents are mostly from Mataso by descent but many are long-term Vila residents, having previously lived on the Parliament House site.
 - Freswota 4: In the late 1980s, the landowner requested Tanna people who had been living at Erakor Beach to move to this land in order to establish or protect his claim to ownership. Freswota is also the site of a formal housing subdivision.
 - Nabatri: This is a long-established, densely populated settlement of mainly Paama people.
 - Seaside: This long-established settlement is divided into three communities, defined by home island: Paama, Tongoa and Futuna.
56. Other settlements, usually the larger ones, are quite heterogeneous in that people from many parts of Vanuatu live together. They include:
- Blaksans: First settled in the 1960s, this large settlement has a predominance of Tanna people but also residents from most other islands. There are no distinct island groupings of residences.
 - Freswin: This settlement grew in the mid 1980s after the landowner invited people from many areas to settle his land in return for political support.¹² Actual ownership has been in some dispute. As well, a private land development company is regularising tenure and selling blocks to whoever can afford them.
 - Pepsi, Luganville: This quite large settlement also grew mainly through political patronage. Most households here were originally from the Banks Islands, Ambrym, Pentecost or Paama.
 - Mango(Luganville): This was originally a Vietnamese settlement, constructed from old scrap metal taken from war wrecks left behind by the American troops. After the Vietnamese were repatriated in the 1960s, the company that owned the land, Ballande Vanuatu, used the settlement to house its Ni-Vanuatu employees. These people came to Santo from all over Vanuatu, to work on Ballande Vanuatu's plantations, docks, stores and ships.¹³
 - Sarakata, Luganville: People have moved to settle this area mainly because space was available and the Luganville Municipality was unable to enforce regulations to maintain it as a water reserve. Some households pay land rents; others are squatters.
57. Because residents of some of the settlements that were surveyed are from one island or place, the sample is not representative in that respect. Nevertheless the survey shows some characteristics of migration to Port Vila and Luganville.

¹² Mecartney (2000) reports that Manples (Port Vila) similarly has been settled through political patronage, with many residents being members of the National United Party.

¹³ Ala, 1987.

- Of the households surveyed in Port Vila, 27 per cent identified themselves as from Tanna, and another 7 per cent were mixed Tanna and other island households. The next largest groups were much smaller: from Paama (8 per cent), Mataso (7 per cent) and Ambrym (6 per cent).
- Of the households surveyed in Luganville, the largest group (11 per cent) was from Ambrym. The other larger groups were from Paama (8 per cent), Malekula (7 per cent) and Banks (7 per cent). Only 3 per cent of households identified themselves as being from Tanna.
- 'Mixed' marriages, in the sense of being people from different islands, are common in the urban settlements. They accounted for 36 per cent of the households surveyed in Port Vila and 44 per cent in Luganville.¹⁴

4.4 Education

58. As Table 4.2 shows, men were generally found to have more formal education than the women residents in the informal settlements, as is generally the case in Vanuatu. But the comparison of the populations of the informal settlements with the general urban and rural populations showed:
- A small educational disadvantage of the settlement residents compared to all urban residents; and
 - Their generally much higher educational levels compared to rural residents.
59. This outcome is not surprising. Formal education is seen as a pathway to paid employment in Vanuatu, and most paid jobs are in the towns. Furthermore, the residents of the informal settlements are not an underclass of poorly qualified urban residents, but a cross-section of low to middle-income people for whom formal housing is not available.

Table 4.2 Formal education of adult residents of informal settlements, Port Vila and Luganville compared to Vanuatu total urban and rural populations (as % of all adults)

	Males		Females		Total urban	Total rural
	Vila	Lugan	Vila	Lugan		
Never been to school	4	10	8	10	6	22
Primary school	52	45	60	52	42	59
Secondary & vocational sch	38	41	28	36	43	16
Tertiary	2	4	1	2	7	2
Not stated	4	0	3	0	2	1
Total	100	100	100	100	100	100

¹⁴ In her survey of Blaksans, Mecartney (2000) found that 45 per cent of couples were inter-island partnerships, and that sometimes the partners in such marriages could only agree to live in a 'neutral' place, namely the towns. Their children often had an uncertain identification with both of their parents' places.

Sources: Household survey. Total urban and Total rural from 1999 National Census. Note: The 1999 Census Report does not disaggregate total urban and rural populations by gender by educational attainment.

4.5 Forms of livelihood

Paid jobs

60. Almost all households surveyed had at least one person in paid employment. As Table 4.3 shows, many had two or more adults in paid jobs, usually supporting the family together by pooling their incomes. Eleven per cent of households had no one currently in a paid job. Most of these households supported themselves by growing or selling food. (In one case, both adults were studying.) By far the majority of households had one (44 per cent) or two (31 per cent) members in paid work. Fourteen per cent of households had three or more members in paid jobs. This is a considerably different situation from the common assumption that most adult residents of informal settlements are unemployed.

Table 4.3 Paid workers per household, Port Vila and Luganville

	None	One	Two	Three or more
Port Vila	6%	38%	38%	18%
Luganville	13%	49%	27%	11%

Source: Household survey

61. Traditional Ni-Vanuatu attitudes about gender differences are still prevalent, in presuming that women's work should be mainly domestic, but in this urban setting, many women participate in paid employment. In 37 per cent of the surveyed households, both men and women had paid jobs. Where only one adult worked, however, it was more often the men. In total, 47 per cent of households were supported by men only, compared to the 10 per cent that were supported by women only (Table 4.4).

Table 4.4 Paid workers per household by gender, Port Vila and Luganville

	None	One	Two	Three or more
Male	-	37%	8%	2%
Female	-	6%	3%	1%
Both	11%	-	22%	10%

Source: Household survey

62. In Port Vila, 65 per cent of men and 36 per cent of the women in the surveyed households were in paid employment. In Luganville, the percentage of men in paid work (64 per cent) was similar to Port Vila, but fewer women (only 26 per cent) had paid jobs. In both towns, few adults were described to be doing 'village' work (mainly subsistence farming or fishing). Women were commonly described as doing housework when they

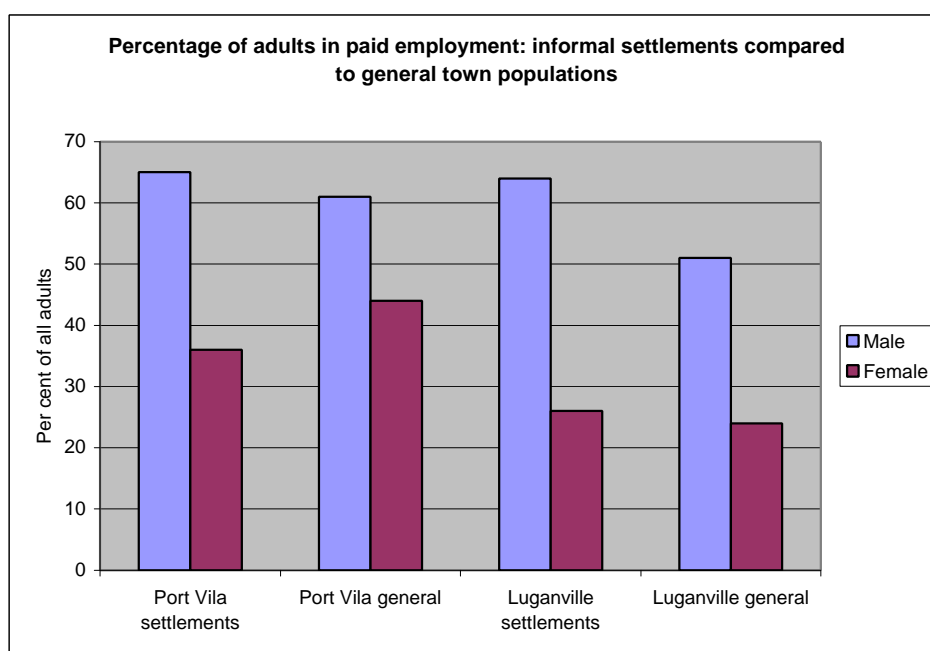
could possibly be otherwise described as unemployed; a number of women interviewed in the survey said they wished they could get a paid job but, as none existed, they were not looking. Surprisingly few adults were reported to be sick or disabled; town life may be so difficult for these people that they are returned back to their village. Few adults also were retired; they too sometimes go back to their rural village.¹⁵

63. This raises the question of how adult employment in informal settlements compares to urban people generally. Figure 2 compares the percentages of men and women living in informal settlements with paid jobs to those of the whole populations of Port Vila and Luganville. It shows that in both Port Vila and Luganville, that more men who were residents of the informal settlements had jobs than men living in urban areas generally did. The situation for women was not so clear-cut, being less than average for informal settlement women in Port Vila and more than average in Luganville.
64. The survey showed little evidence of children working outside of the household. The official primary school ages in Vanuatu are 6 to 12 years (although basic education now stretches up to 16 years), but attendance is not compulsory and many households reported difficulty paying school fees. The shortage of paid jobs probably militates most against children being employed in other than domestic work around their homes, because some adults said their out-of-school child (ie under 16 years) wanted to find a job. There are laws that restrict child employment but they possibly are little known or applied.¹⁶
65. Figure 3 and Table 4.5 together illustrate three important points about the residents of urban informal settlements:
 - Almost as many adults living in informal settlements supported their households through paid work as urban people do generally;
 - Because of the low pay and the insecurity of many of their jobs, many of these workers were unable to afford decent housing;
 - Employment (and therefore income) status was quite diverse. As Table 4 shows, adult residents in informal settlements include skilled or technical workers who are disadvantaged not so much by their employment as by the extreme shortage of affordable housing. There are also some of the most disadvantaged and impoverished households in Vanuatu.

¹⁵ Mecartney (2000) reported that after the reduction in the size of the civil service in 1998-9, 5 per cent of the families she surveyed in Blaksans decided to take advantage of the redundancy payments offered, sold their houses in the settlement, and moved back to their home island.

¹⁶ Minimum ages for employment in Vanuatu are 12 yrs (Section 38, Employment Act), except on appropriate light agricultural work supervised by a family member; 14 yrs (Section 38, Employment Act), except on light agricultural work with family or community; 15 yrs (Section 38, Employment Act), for any industrial undertaking (UNICEF, 2000)

Figure 3



Sources: Data on informal settlement populations from Household Survey 2002; Data on general Port Vila and Luganville populations from 1999 national census.

Note: The different dates of the sources may affect this picture, but probably not by much.

Table 4.5 Economic activity of adults, Port Vila and Luganville (as percentage of adult population)

	Cash work	Village work	House work	Unemploy- ed	Studying	Sick or disabled	Retired	Total
Vila	49	2	19	22	7	0.5	1	100
Luganville	45	2	27	17	5	1	3	100

Source: Household survey. Adults defined as persons aged 15 yrs and older.

66. The jobs held by residents of the informal settlements were quite diverse. Many worked at typically low-paid and insecure jobs. Twenty-five per cent of men and 45 per cent of women had 'elementary' occupations, namely work as unskilled labourers, gardeners, house-girls, etc. Another large category of usually low paid, but more skilled jobs was as service workers or shop/market sales workers: this accounted for 24 per cent and 25 per cent of the jobs of men and women, respectively – more so in Port Vila because of the large tourism industry there. Builders or carpenters accounted for 16 per cent of men's jobs.
67. Some residents worked at quite skilled or professional jobs. They included doctors, teachers, accountants, ship captains, engineers and managers. Nineteen per cent of men worked as technicians or machine handlers, jobs that required qualified training or skill.
68. The limited and highly segregated job market for women in Vanuatu is evident here. Only half as many women were currently working as men, in

a study population that was fairly balanced by sex. As mentioned above, 45 per cent of women work in elementary occupations, as house-girls, labourers and cleaners, jobs that are low-skilled, low paid and often insecure. (A well-paid house-girl may earn 5,000 vt. per week, but many earn 1,000-1,500 vt.) Other common jobs are cashiers, shop assistants, shop-keepers, and waitresses, which account for another 25 per cent of women's jobs. Eight per cent of the women in paid employment work as professionals (in traditionally 'female' occupations), as teachers, nurses and librarians.

Table 4.6 Population in paid work, by occupation and gender, Port Vila and Luganville

	Port Vila		Luganville		Total	
	Males	Females	Males	Females	Males	Females
Armed forces (Police)	2	1	1	0	3	1
Clerks	5	9	7	6	12	15
Craft & related workers	23	0	24	0	47	0
Elementary occupations	44	38	28	25	72	63
Legislators, senior officials & managers	0	1	4	0	4	1
Plant & machine operators & assemblers	3	4	21	3	24	7
Professionals	7	4	11	8	18	12
Service workers & shop market sales workers	45	21	23	14	68	35
Skilled agricultural & fisheries workers	0	0	4	0	4	0
Technicians & associate professionals	13	0	18	3	31	3
Not stated	1	0	1	4	2	4
Total	143	78	142	63	285	141

Source: Household survey

4.6 Other sources of income

69. Most (around 60 per cent) of the surveyed households reported no other source of income than paid employment. This may not be correct. First, the one person interviewed per household may have overlooked some activities of other household members. Second, even informal sector businesses require licences in Vanuatu. There may be truly informal 'informal' businesses that people do not wish to report to anyone. Of other sources of household income, selling produce, cooked food or other goods was the most common, usually in the municipal market. Other income was gained from renting rooms, operating nakamals, making or selling handicrafts, and operating small stores.

70. Some settlement households help support themselves through gardening, but this closely depends on the availability of nearby land. In Port Vila, 29 per cent of surveyed households said they had land for a garden, sometimes at quite a distance from where they lived. This was least so in the crowded settlements at Freswin and Ohlen Mataso. In less densely-settled Luganville, three-quarters of the households said they had land for gardening. Most of the food produced was for home consumption or for sharing with family and neighbours. In Port Vila and Luganville respectively, only 12 and 22 per cent of households said that they traded in food.

4.7 The cost of living

71. The pre-test of the survey included a question on household income but this question was dropped as the accuracy of the information was dubious. A question about cost of living was instead included, namely: 'Living where you do now and meeting the necessary costs, what do you think is the absolute smallest amount of money your household needs each week to get by?' This question has been used in many countries in order to determine the *subjective poverty line*. This measurement is called subjective because it depends on the household's circumstances, such as the size and age of the family, their patterns of consumption, and the lifestyle they consider normal for people like themselves. There is good evidence that people have a realistic view of what it costs to sustain themselves, and that the subjective poverty line corresponds closely to measurements of poverty that are based on extrapolated costs.¹⁷
72. The results of the survey showed up a significant characteristic of the informal settlements, namely a great diversity in incomes. Within these communities were both middle-income and very poor households. In Port Vila, the average cost of living per household was approximately 4,100vt. In Luganville, it was a little cheaper, 3,700 vt. Behind these averages are very wide ranges in estimated costs. When broken down by the size of households, the figure ranged from 200 vt to 2950 vt per person per week in the Port Vila settlements, and from 70 vt to 2500 vt per person in Luganville. This demonstrates the very large range in consumption and lifestyles that exists within the settlements, from extremely poor to moderately well-off.
73. According to the Vanuatu Poverty Report the average weekly expenditures (if they correspond with incomes) reported in this survey would place most communities in the bottom two quartiles in the national income distribution (namely 11,400 per month for the lowest quartile and 33,334 vt per month for the second lowest quartile.) The Vanuatu Poverty Report similarly found that these average figures told only part of the story, in that 27 % of urban households have a monthly income of less than 2,000 vt, and 61 % have monthly incomes of less than 4,000 vt.

4.8 Residents' main needs and problems

74. The household survey included these questions, adapted from the Poverty Mapping Survey conducted by the National Statistics Office in 2000:

¹⁷ Hagenars and de Vos, 1988:219.

- What are the main things that your household needs? ¹⁸
- What other problems do you face?
- What can your household do to improve your living standard? Is this likely to happen?

The answers to these questions did not differentiate well between needs and problems, which is not surprising, except that many more people could describe their needs than they could their problems. Almost one third of respondents said that they had no problems yet described quite graphically the shortcomings in their living conditions. The question about problems may have caused some misunderstanding.

75. The main needs that were identified were for:
- Basic services - water supply, electricity for lighting, better housing - and better living conditions generally.
 - Money to pay for living costs and food, and jobs to provide this money.
76. People similarly described their main problems to be:
- Poor living conditions (poor housing and unhealthy surroundings); and
 - Difficulty in meeting their basic needs for food, clothing and money.
77. The needs and problems differed between settlements, and this reflects the general variation in living conditions. In Port Vila, for example, water supply was the most often mentioned need. It was a large problem for people at Freswin 4, Beverly Hills and Freswota where there are few water connections, but not much of an issue for people living in Nabatri or Sepolo, communities nested among formal housing. Similarly, crowding was much less an issue in the Luganville settlements than in Port Vila, whereas more Luganville households had difficulty in meeting their basic needs. The preoccupation with basic services reflects the very poor living standards that most residents endure in the informal settlements.

Table 4.7 Residents' main needs (as percentage of all responses)

	Port Vila	Luganville
Water supply, tank, or own meter	72	40
Electricity	55	41
Better housing	51	37
Better sanitation or rubbish collection	7	3
Better road	6	1
Better general living condition	4	1
Land title or more secure land	10	7
Less crowding	3	0
Money	18	16
Jobs	12	5
Food	13	9

Source: Household survey.

Note: Multiple answers by household. Detailed tabulation in Appendix 3

¹⁸ The survey initially asked 'what are the three main things that your household needs,' but the survey team found that the question was too leading and often misunderstood.

Table 4.8 Residents' main problems (as percentage of all responses)

	Port Vila	Luganville
No water supply	25	1
Poor housing conditions	11	10
Difficult area (no drainage, poor sanitation, over- crowded)	16	4
Community disturbances	6	9
Insecure tenure	5	0
Meeting basic needs (food, money, etc)	23	34
Poor transport	4	5
None, or don't know	27	34

Source: Household survey :

Note: Multiple answers by household. Detailed tabulation in Appendix 3

4.9 Sources of community support

78. The survey asked questions about the types of community institutions that provided support for households or helped foster a sense of community within the settlements. As well as the earlier questions about family, natal village and home island, which are important to Ni-Vanuatu identity and social organisation, the survey asked:
- Are you (or other household members) members of any community groups (eg church, social clubs, sports groups, youth or women's associations)?
 - Do you get help from anyone? If so, from whom?
 - What sort of help is given mainly?
 - Do you give help or money or goods to anyone (eg send money back to your home village)? To whom?
79. The very important role that the churches play in the life of the community is seen from the survey which found that 80 per cent of households included active members of church-run organisations. Only 14 per cent of households were not involved in any community organisation, and another 7 per cent were involved only in non-church activities. Sports and social clubs and women and youth organisations are important community institutions.
80. Forty-two per cent of respondents said that their household did not receive help from anyone, and 38 per cent said they received help only from their family. The other main source of support was the church. Help is mostly given as food, or as food and money. Very few households reported receiving help from the government or NGOs. In some contrast, 93% of households reported helping other people, usually other family, and mostly by sending food and money back to relatives on the home island. People also reported sharing food with friends, other church members and their neighbours, especially when they needed help.
81. Despite the usual mixture of people from different islands, with different cultures and languages, and the difficulties many households have in

meeting their own needs, Ni-Vanuatu traditions of sharing and reciprocity are sustained in the settlements.

82. Other than the churches, prominent among the NGOs that provide special services to the residents of the informal settlements are:
- **VANWODS:** This successful program assists low-income women to establish new livelihoods by providing micro-credit, advice and community support.
 - **Habitat Vanuatu:** This church affiliated organisation assists low-income people with secure tenancy built permanent houses, by providing low-cost loans through a revolving fund. In 2002, Habitat built 22 houses for the community at Beverly Hills. The houses are built as cheaply as possible, using volunteer labour and cheap materials. Even so, the cost per house averages 65,000 vt, largely because of the high cost of building materials through high import duties and 12.5% VAT. Habitat has petitioned the Government to give them duty and VAT exemption; this has not been resolved.
 - **The Vanuatu Women's Centre:** This organisation assists women in the settlements through counselling services, particularly to resolve family problems and domestic violence.
 - **The Vanuatu Family Health Association:** This organisation runs special programs in the settlements, to ensure women and youth have access to reproductive health services.
 - **Wan Smolbag:** Through its community theatre and youth and health centre 'drop-in' services, this organisation is assisting Blaksans community to foster a community spirit, improve health problems and resolve its social problems.

4.10 Conclusions

83. The Household Survey conducted for this study found that the informal settlements are diverse communities. This is a significant finding, for it is often assumed that residents of these communities are quite uniformly poor and dependent on irregular, informal employment. Some households evidently are materially very poor and many have difficulty meeting their basic needs. The Vanuatu Poverty Study found that while rural households are more at risk to poverty than urban ones, the urban poor are more likely to be very poor. But some households live quite comfortably, mainly the longer-term residents with sufficient security of tenure to build permanent dwellings, with some members in cash employment. The better off or well-established households sometimes have a food garden or some rental rooms.
84. The diversity of these communities is evident in several ways:
- By education standards, the residents of these settlements are much more similar to the overall urban population than they are to Vanuatu's rural population. Formal education is seen as a pathway to paid employment in Vanuatu and most paid jobs are in the towns. However, there is considerable diversity among residents by educational attainment, with some residents having no formal education and others with university degrees.
 - Almost all households surveyed had at least one person in paid employment; many had two or more people with paid jobs. Many of these jobs are low-paid and insecure; pooling incomes is generally necessary in order for the household to survive. But adult

residents include skilled and technical workers, including teachers, doctors, engineers and ship captains. Many women work. (It appears very few, if any, children work outside the household – a reflection principally of the limited availability of unskilled work.)

- The residents of these settlements are also very diverse in regard to their patterns of expenditure and consumption and, evidently, their perceptions regarding the lifestyle they consider normal for people like themselves.
85. The main thing that households in the informal settlements have in common is that the acute shortage of affordable urban housing forces them to live in unhealthy, unpleasant and, for many, unacceptably poor conditions.
86. The family and the church provide the main sources of support for residents in these settlements. Few households reported receiving assistance from the Government or NGOs. Despite the cultural and language diversity, Ni-Vanuatu traditions of sharing and reciprocity are sustained in the settlements.
87. The age composition of settlement households is predominantly adult. This reflects the contribution that migration from rural areas still makes to settlement growth. But many residents in these communities are by no means newcomers to town. Many were born in town or have lived there most of their lives. Most of these households are likely to be permanently urban. In the survey, almost no one said they planned to return to their rural village. Studies in Vanuatu by Haberkorn (1990), Storey (1999), and Mecartney (2000) also concluded there is an increased incidence of rural-urban mobility and greater urban permanence. Haberkorn (1990) concluded:
- ‘[High urban growth rates] should remind planners and politician that assumptions about the eventual return of rural-urban migrants, if they cannot find adequate employment or proper housing, reflect wishful thinking more often than reality.’

5. Informal settlements and poverty

5.1 Defining poverty in the context of Vanuatu

88. The Household Income and Expenditure Survey in 1998 provided the basis for the Vanuatu Poverty Analysis that was conducted by the National Statistics Office in 2000, the first official analysis of poverty in Vanuatu. The report combined quantitative and qualitative data to give an overview of the causes and manifestations of poverty throughout the country. In defining what the term 'poverty' means in Vanuatu, the report noted it was more than simply a low income, but also inadequate access to clean water and sanitation, education, housing, health care and other basic services.
89. Poverty is generally measured according to these criteria:
- **Insufficient income to afford basic needs** such as food and shelter. Figure 1 (Annex 8.5) shows that household income is very unevenly distributed in Vanuatu. The 1998 HIES found that the poorest quartile (i.e. 25 per cent of households) had total incomes (ie both from cash and non-cash sources) of less than 11,400 vt per month. Together, the poorest half of all households earned around two-thirds of the income of the second richest quartile. Together, the poorest three quartiles (ie 75 per cent of the population) earned less than 10 per cent of the monthly income of the top quartile of households. The Vanuatu Poverty Report found that of the households in quartile 1, most lived in rural areas, but 8 per cent lived in Luganville and 3 per cent lived in Port Vila. Although the informal settlements are very diverse in their incomes, skills and other resources, if poverty is defined by income, in these informal settlements also live the poorest of the very poor in Vanuatu. The Vanuatu Poverty Report found that most poor households have at least two people working in subsistence activities or paid jobs, indicating that the incomes from their labour, sale of produce or food produced for their consumption, is not enough to keep them out of poverty. Almost 50 per cent of poor households cannot afford to buy food and other basic necessities.
 - **Insufficient access to services and acceptable living conditions.** Although there is some presumption in Vanuatu that people are 'used to' poor living conditions because similar conditions prevail in some rural communities, the survey found widespread dissatisfaction about this. The Vanuatu Poverty Report found that many poor households rely on easily contaminated sources of water and must share water resources. Almost all poor households do not have electricity, use hurricane lamps as their main source of lighting, use wood or coconut shells for cooking fuel, and use latrine type toilets. The literature on poverty refers to this situation as the 'quality of life poor.'
 - **Social exclusion**, that is people deemed poor are blamed by the rest of the community for their own conditions. This often expressed in Vanuatu through statements such as that these households should simply return to their rural villages (although many may never have been to these places). Through social exclusion, these communities are denied the access to the urban environment that other residents enjoy: security; drained roads; public transport; etc.

26. The Household Survey found that the main thing that households in the informal settlements have in common is that the acute shortage of affordable urban housing forces them to live in unhealthy, unpleasant and, for many, unacceptably poor conditions. By all of the measurements of poverty listed above, people living in informal urban settlements in Vanuatu can be described as living in poverty.

5.2 The institutional setting for urban poverty

91. Poverty is generally ascribed either to (a) the characteristics of the poor or (b) the circumstances by which they become poor – that is, the institutional setting or social-economic environment that circumscribes their poverty.

¹⁹Among the residents of these settlements are the poorest of the poor, but not all residents can be described as an underclass of poorly qualified urban residents. Instead, they are a cross-section of low to middle income people. The question then is, why so many urban Ni-Vanuatu are required to be poor, in the sense they must live in such poor conditions.

- **Low incomes.** The income differential in Vanuatu is very large. Wages at the lower end of the scale are very small compared to the general cost of living. Technical or trade ('blue-collar') jobs receive low wages mainly because of the prestige given to 'white-collar' jobs, even though these technical workers are so essential to the urban economy.
- **No provision for affordable credit for home buyers** The National Provident Fund was substantially weakened through corruption in 1998 and does not now provide housing loans. Intending homeowners can only borrow from commercial banks on standard rates, with a maximum 15 year loan period. The National Housing Corporation defines 'low interest' as 8-10%.
- **No provision for low cost housing** There is no national scheme to provide affordable housing for low to middle income families. The National Housing Corporation can service only the upper-middle income group and now deals mainly with housing plots, rather than accommodation. As explained previously, Vanuatu's urban population will almost certainly continue to grow quickly. Some Government agencies are making land available for housing, but it is not low cost. At Ohlen Freswin, Government has subsidized the cost of housing blocks, yet they still cost 500,000 vt. At Freswota, the National Housing Corporation in Vanuatu sells plots for 600,000 vt. and estimates that a house would cost a further 2,800,000 vt.
- **The overall shortage of urban housing** The urban population is growing much faster than is the housing stock. Many households must either live in substandard conditions in the informal settlements, or pay very high rentals and try to economise on other necessary costs. The National Housing Corporation has only helped build 49 houses.²⁰ The shortage of housing fuels an inequitable black market in rental accommodation. Despite the high incomes

¹⁹ As Rodger (1979:5) explains, "Poverty is a manifestation of social systems. Its source can be traced to low productivity but it lies equally in the inability of social systems to permit all of their members access to the cultural, social and economic possibilities of the society."

²⁰ Personal communications, Manager of NHC.

many landlords earn, there are no standards being set or monitored, and no conditions of security provided for tenants.

- **The overly slow extension of urban services.** The impediments on extending services will be explained in more detail in the next chapter. The fundamental problem is that the extension of services is proceeding far more slowly than the town populations are growing. The inequity in service provision also fuels exploitative markets, particularly in water supply.
- **Too slow progress in providing secure tenure for housing lots.** As explained in the next chapter, there are procedures in place to regularise housing tenure. But this system is not at all keeping pace with the demand for new urban housing.

5.3 Residents' views on how they can improve their situation

92. The household survey asked "What can your household do to improve your living standard? Is this likely to happen?" It was a loaded question in its implication that it was indeed the household that could best remedy its own situation. Some people saw beyond this and explained how larger changes would first be necessary.
93. Most people surveyed said that the best way they could improve their living conditions was to get a job, or a better paying one, start a business, or otherwise make more money. Many women said that they wanted cash employment. Another common response was to improve their house by, for example, making it larger or getting a roof that did not leak. Few people gave consideration to improving general conditions by, for example, collectively fixing the drainage problem so that their houses did not flood in heavy rain - possibly because these are difficult things to do in settlements that lack community cohesion, where people come from many different islands.
94. Although it is often believed in Vanuatu that the harsh living conditions will, and should, encourage people to return to their rural homes, only one person in the survey responded to this question by saying it would be better to return to their home island. Also somewhat surprising, given the official emphasis on regularising tenure, very few households mentioned this as relevant to their condition. Educating children was also rarely mentioned in this context, possibly because the immediate costs are so high and the benefits are both long-term and uncertain - although many people listed paying school fees as one of their household's problems.

Table 5.1 What households can do to improve their living conditions (as percentage of all responses)

	Port Vila	Luganville
Get jobs or new livelihoods	40	27
Get more money	18	6
Improve house or get new one	22	36
Get secure land tenure	6	3
Improve area (drainage, sanitation, etc)	2	1
Get more land	5	0
Educate children	2	7

Government must take action	3	1
Nothing, don't know, or not necessary	17	33

Source: Household survey.

Note: Multiple answers by household. Detailed tabulation in Appendix 8.3

95. Several people said that government action was the best way to improve their conditions. They recommended that the government give incentives and improve the availability of credit so that people can build low cost housing; that salaries in Vanuatu must be raised because of the high cost of living; government should install water and electricity to every house; taxes should be reduced in order to give poor people some benefit; and that government should provide an allowance for children, to ensure that they can complete their education.

5.4 Other ways to help residents meet their needs

96. Much of the recent literature on combating poverty focuses on ways to empower residents so that they can make choices and take action to shape their own lives. This approach requires three societal changes (World Bank, 2002):
- A change in the general and official mindset, from viewing poor people as the problem to viewing them as essential partners in reducing poverty;
 - A change in the relationship between poor people and formal systems, enabling them to participate in decisions that affect their lives; and
 - A change in formal and informal institutions to make them more responsive to the needs and realities of poor people.
97. Informal settlements do not necessarily indicate severe urban environmental problems. They may instead mark the way that cities in developing countries, including Pacific island countries, will continue to grow. The challenge is to encourage them to develop in positive ways. As Overton and Storey (1998) explain, this may be the only viable choice for rapidly growing and poor Third World cities. Encouraging a positive evolution of squatter settlements does not depend on the presence of a strong local government but instead builds on peoples' and communities' initiatives and recognises the efficacy of factors such as home gardening, communal tenure and informal recycling of waste. It leads to cities that may not be as neat as they are conventionally expected to be, with lower densities but high levels of internal production.
98. The elements that support the empowerment of informal communities are: better information, more effective inclusion or participation, more accountability (mainly by government), and increased local organisational capacity. In practical terms, the types of actions that can improve living conditions in these settlements include provision of basic services and improved local and national governance.

Provision of services to informal settlements.

99. The lack of basic services – water, sanitation, electricity – is of particular concern to residents of the informal settlements, and should be of considerable concern to the whole national community. It is a fundamental aspect of the poverty in which increasing numbers of urban residents are being required to live. The present situation in Vanuatu is untenable, for the provision of basic services is often held up either by slow Government

bureaucracy or by landowner reluctance to provide easements for water and electricity pipes across their land (that is, without receiving considerable compensation payments). Given the expected fast growth in the urban population, this problem must be addressed.

100. Throughout the developing world, there has been a massive failure of state-owned monopolies to deliver services to poor and rural households. This has been recognised over the past decade or so in some countries by the contracting of service delivery to private companies, such as UNELCO in Vanuatu. The difficulty however remains that UNELCO is unable to bypass land tenure problems to provide services to informal settlements, largely because of the fear of both Government and traditional landowners that this will help legitimise the occupation of the land by the settlers. There is also concern that poor households will not be able to pay for the services. Development agencies, such as ADB, have noted that the reform of public sector service delivery through corporatisation has not necessarily served the interests of the poor.

'It is easy to confuse the two imperatives of overall sector reform and provision to the poor. Many governments focus on reform, believing that the universal service obligation will automatically include delivery of services to the poor. However, serving the poor is not a 'default' operation: it requires specific skills used in a particular way, involving multiple stakeholders such as public agents, private contractors and the community. Middle and high income groups need to be involved to achieve economies of scale and efficient service provision, create the potential for cross-subsidies, and incorporate the lobbying power of the high income groups to recognise the need for full coverage to achieve public health benefits.' (ADB, 2000)

101. In Vanuatu's quite small urban population, opportunities for cross-subsidisation are limited by the relatively small size of the high-income group. The imperative for universal service delivery is so pressing, however, that other options to conventional delivery must be sought, especially ones that are environmentally sustainable. For example, only a few households in the settlements have water tanks for they are expensive, but this expense could be lowered in several ways, including reduced import duties or subsidies on their purchase. Similarly, very few households have simple solar power systems for lighting, which also are expensive, but these costs could also be lowered. Sanitation is difficult to improve in areas that flood and particularly on riparian reserves, but at present too little is being done to counter the proliferation of often inadequately constructed pit toilets.
102. In regard to social services, the situation is a little different. As explained in Chapter 3, the residents of the informal settlements are able to access services such as health and education quite readily. Although they are hampered somewhat by transport, Vanuatu's towns are not large and people generally can find their way to public services, both the local area clinics and schools and higher level ones elsewhere in the town. The main constraint often is inability to pay for the better quality services, such as the better schools. These communities are diverse in the standards of living that people expect, and there is no general sense of alienation from the larger town community. This general level of access probably serves residents of these communities better than any provision of special services to them would do, for these local services are almost always of lower quality and could serve to limit people's choices.

103. Social services therefore do not need to be pitched to the needs of informal settlements, as such, but rather to the special needs of particular groups, especially the very poor, within these settlements. For example, VANWODS is a particularly popular program that provides micro-credit to low-income women so that they can establish small enterprises. The women are selected through a simple means test. Most of these women live in informal settlements, but living in an informal settlement is not in itself sufficient qualification for participation. Similarly, the Vanuatu Family Health Association (VFHA) works with women living in some informal settlements, not because they necessarily have poor access to family planning services - which are available at health clinics and the hospital - but because VFHA has found community outreach programs to be generally effective.

Improved governance

104. The next section of this report discusses the difficulties with urban management and planning capacity in Vanuatu at both national and local government levels. Another level of governance is within the community. Although the settlements are diverse in terms of the different cultures and languages of people who have come from different islands in Vanuatu, they have a fairly robust form of governance through the identification and cooperation of chiefs representing the different communities, and Ni-Vanuatu traditions of neighbourly cooperation and reciprocal support.
105. The insecurity many households have about their tenure constrains them from building adequate houses. In the Household Survey, people often said that they did not know what would happen to them next, and Government or agencies such as the Housing Corporation were described in terms of threat to the settlers. They have little access to information about what is going on, and very little involvement in decisions that will affect them. This is a common situation with informal settlements and poor communities generally throughout the world. The state has been largely ineffective in reaching the poor, CSOs (other than the churches) also play a small role in the life of the community, and the community relies primarily on its own informal networks of support and information (World Bank, 2000).
106. Improved governance in this situation includes actions that will improve the communities' access to better information, more effectively allow for their inclusion or participation in decisions affecting their community, more accountability by government or land-owners, and greater capacity for the communities to organise themselves for collective action to improve their living conditions. Possibly the churches or NGOs could take a lead role here.

5.5 Conclusions

107. Urban poverty in Vanuatu is largely defined by the poor conditions in which a growing number of urban residents must live, because of the shortage of adequate, affordable housing.
108. Most people interviewed in the Household Survey said that the best way they could improve their situation was to get more money in order to improve their living conditions. A few noted that the problems they faced were larger than this, and required government or other outside assistance.
109. Fundamental to improving living conditions is a change in the national mind-set, from seeing these people as the problem to considering ways in which informal settlements can be helped to evolve into more sustainable

urban communities. This may be the only viable choice for rapidly growing and poor Third World cities, including in Vanuatu.

110. Provision of basic services is fundamental to improving living conditions. The current situation in Vanuatu is untenable and a solution must be found, including by encouraging environmentally sustainable self-sufficiency.
111. Better governance for these communities includes helping them to have access to better information, more effectively allowing for their inclusion or participation in decisions affecting their community, more accountability by government or land-owners, and increasing residents' capacity to organise themselves for collective action to improve their living conditions

6. Urban Planning Issues

6.1 Introduction

112. Previous sections have indicated the fast rate of urbanisation occurring in Vanuatu. Planning for and managing the impact and consequences of this urban growth includes a variety of social and economic factors such as housing, employment, health and welfare, education, community infrastructure, transportation and so forth.
113. When faced with such broad-ranging and inter-related policy issues, there is a risk of over-simplifying cause-effect relationships in searching for a solution. Unless the total picture is seen and all the elements addressed as equally necessary parts of the solution, a series of temporary patch-ups is the more likely outcome. On the other hand, endless policy analysis of the causal network in an attempt to establish “certainty” can result in little concrete action where it matters most – in the communities – and the loss of opportunities as they arise.
114. The principal purpose of this study is “...to assess the extent of squatter settlement ... and outline ways of addressing social and land issues arising from such settlements” (Annex 8.1). From a planning perspective the obvious, if apparently superficial, solution is to remove/eliminate them. The goal of elimination can be achieved, theoretically, in two broad ways:
- Use the force of law and regulation to remove offending settlements;
 - or
 - Institute ways and means of transforming these settlements into permanent, healthy, and properly serviced communities.
115. Only rarely will recourse to the force of law be a solution, usually in quite particular cases, for example, where the risk from flooding, pollution of others’ water supply, or disease makes the particular location so hazardous to residents’ health that urgent action is justified. However, it is not a practical solution for broader-based settlements – the sort of typical informal settlements whose household characteristics (as described in section 4.4) are a cross-section of low to middle-income people for whom formal housing is not available. It is also not a practical solution for the simple reason that it offends ni-Vanuatu norms of behaviour and “invites” retaliation.
116. The generic land use planning solution should therefore rely upon a strategy of transforming informal settlements into higher amenity, higher quality settlements.
117. A transformation strategy really is the only practical framework solution because these settlements are not about to disappear of their own choosing or making, but will continue to grow as the urban centres themselves continue to grow. If these settlements are to be permanent urban features, then this is a matter that public policy and planning must address.
118. Before a transformation strategy can be developed, however, a stocktake of existing institutional planning arrangements is important to help us understand what is not working but which, if used differently, might advance us further.
119. The rest of this section describes these arrangements. This is done to form a basis for discussion about the gap that exists between existing institutional arrangements and those that will be necessary, under a

transformation strategy, in order to provide basic minimum levels of service and amenity in these settlements.

6.2 Legislation and planning requirements for urban development

Legislation

120. The body of relevant legislation²¹ contains formal provisions for controlling sub-standard urban/municipal accommodation and associated services that, while not entirely sufficient, are quite extensive.
121. Vanuatu has a number of urban planning statutes. The key statutes among these are:
- The Municipalities Act No 5 of 1980 establishes the legal townships of Port Vila and Luganville and their respective municipal councils, and affords control over some 31 classes of activity (unless restricted by the Minister). Municipal councils are empowered to create bye-laws under the Act.
 - The Physical Planning Act No 22 of 1986 establishes a mechanism for declaring areas subject to physical plans, which control developments according to 23 classes of activity and through development control rules specified in those plans. The process is firstly to declare a Physical Planning Area by means of the *Gazette*, and then to proceed to prepare a physical plan. While Physical Planning Areas have been declared, no physical plans have yet been adopted – although earlier drafts were prepared for both Port Vila and Luganville. This Act is administered in the Ministry of Internal Affairs.
 - The Decentralisation Act No 1 of 1994 establishes local government councils and regions and provides for the making of bylaws, rules and regulations.
 - The Public Health Act No 22 of 1994 provides powers and functions for both the Ministry of Health and local government councils in the areas of public health, sanitation, water supply, nuisance, disease control and so forth. Various offences are stated, and orders and notices provided for their control.
122. There is no specific or integrating legislation that provides for national oversight or direction on matters of urban infrastructure, housing, policy and/or poverty. National policy on these matters is indicative only – and more recently covered at a broad level through the annual CRP National Summits.
123. Despite the gazettal in 1988 of the municipal boundaries for Port Vila and Luganville, and the declarations in 1992 and 1991 respectively of the Shefa / Port Vila and Sanma / Luganville Physical Planning Areas, the formal planning instruments (that is, the physical plans) have not been adopted.
124. The reasons for this are not to do with the legislative framework itself but, rather, with the decision making process. In other words, a political judgement, or series of judgements, has been made (Ministerial approval is required before they can be adopted and made operative) that the two draft plans prepared in the 1980s are not appropriate tools. The precise reasons

²¹ Details of the legislation are provided in Annex 8.2 Statutory Requirements for Urban Development.

for this are not minuted, but two particular physical plans are both dated in their approach to planning matters and contain rules/ordinances that would prove very difficult to enforce in practice. However, without a planning strategy little progress is likely to be made on these matters because every situation is treated differently, and is open to influence and interference at a number of levels. Planning strategies, properly documented so that those who need to know (land owners, developers, nationals, administrators, politicians) are reasonably clear about the expectations, requirements, rules and options, provide both an opportunity for people to contribute their ideas and a degree of certainty to everyone about direction and expectations.

125. One of the important ingredients to addressing issues as complex as poverty and poor housing / living standards is to provide processes by which all the different sectors are aware of (and preferably working co-operatively toward) a common goal/strategy, and know which bits they are responsible for and when these have to be delivered. Once such a framework is properly structured, then it may be necessary to revisit the legislation. It is rarely useful to approach complex problems from the legislation end first. Many of the regulatory tools necessary for managing urban and peri-urban development are currently in place through various statutes – that is, the by-law making powers, regulations, application and assessment procedures, draft plans, etc. However, the human and financial capital and capacity to use these tools effectively – the people, skills, and money - is currently either not available or is not used to best advantage in central and local government.

126. There is certainly a need to question whether the suite of legal tools currently provided remain relevant and are capable of delivering appropriate planning guidance and direction in the area of informal housing. This is a matter discussed further in the conclusion to this Chapter.

Boundaries

127. In simple terms, local government administrative planning boundaries are based on land tenure. Municipalities are based on government-owned land boundaries; local provincial government on customary-owned land boundaries.

128. From a planning point-of-view, the Port Vila urban settlement area encompasses both the area designated as Port Vila Municipality in 1980, and the surrounding non-government land areas that lie between the Municipality and the outlying villages of Ifira, Pango, Erakor and Mele, but which are administratively within the local government area of SHEFA Province.

129. The current local government administrative boundaries of Port Vila Municipality and Shefa Province create their own problems in terms of the wider picture of urban growth management because they are based more on whether the state or someone else owns the land rather than on urban planning parameters.

130. Wherever there are planning boundaries – whether between different sorts of activity zones such as residential and industrial, or between units of government or local government, or between different sides of a street – the

potential exists for different rules, different ways of doing things, different rates and charges, different standards and expectations, and so on. In the wider Port Vila planning area this is evident for those living along and around the boundaries of the two councils. For example, on one side of the road refuse is collected and on the other it might be, but it is not part of the formal collection system – and similarly for the rates levied for refuse collection. If the Municipality tries to set standards for nuisance activities by bylaw – such as rules for the burning of refuse or maximum noise limits – this may not be in line with what is permitted on the other side of the “boundary”. And if the rules are stricter on one side of the boundary, then those who do not wish to follow those rules tend to move to the other side of the boundary but can still affect those on the original side through their activities. This is true across the world when it comes to such things as different standards for industrial air quality control or minimum housing / building standards. Indeed such differences in planning controls are often one of the reasons for informal settlements setting up on the edges of cities.

131. The fact that many of the informal settlements lie beyond the formal metropolitan boundary – even though their existence derives from and depends on the metropolitan area – is itself a significant issue requiring harmonisation of administrative arrangements in whatever solutions are decided upon.
132. If wider Port Vila is considered as a single planning area for the purpose of managing growth and development, it can still have a number of units of local government within that area. The important thing is to get consistency of approach across the planning and development rules, regulations and development opportunities – in terms of minimum standards for housing amenity, for example. If this is achieved through some sort of over-riding planning strategy, then it is not so important that boundaries are altered or units of local government amalgamated – although this might be important from the point of view of co-ordinating revenue, resources and skills.
133. From a planning perspective Luganville is far more easily identifiable as the area within the gazetted boundary – although there is dispute with respect to areas of uncompensated or insufficiently compensated land. Informal settlements do not appear to be a significant issue beyond the municipal boundary.

Formal Planning

134. In general terms, formal strategic and spatial planning for urban development and growth is not well provided for in either central or local government administration.
135. Vanuatu currently has no specific national planning policies or strategies for managing present and future urban growth, and little capacity either in the public or private sector for this task. Interest has been shown from some donor agencies in this area of urban planning in recent time but this has yet to translate into particular projects – and needs national direction in any event.
136. Land development requirements relating to minimum standards of servicing and subdivision exist both in law and in policy – and will be further enhanced if the draft National Building Code Act is enacted. However, these standards have not been put into practice at the lower cost-end of the housing/accommodation market.

137. A framework for urban planning exists under the Physical Planning Act but it has proven difficult to get the necessary political support to have the plans adopted. This would give clearer direction to all parties, including central and local government, and provide a legal basis for minimum standards.
138. Local government tends to operate by means of regulatory, that is bylaw, controls rather than formal planning instruments – although both Port Vila and Luganville municipalities refer to the draft Physical Plans that were written in 1987 and 1988 respectively. In the main these bylaws are made in the area of public health, nuisance and waste management, and do not constitute an attempt at planning regulation – that is, the deliberate shaping of on-the-ground living and working relationships.

6.3 Land ownership and landlord-tenant arrangements

139. Land-use planning in urban areas requires both clear landowner-tenant relationships and the ability to “intervene” in that relationship – however indirectly. Neither of these two pre-conditions presently exists in practice. Furthermore, regulatory authorities must have the ability to apply sanctions for non-compliance if uniform rules and regulations regarding living and environmental standards and spatial/locational relationships between classes of activities or generated effects, are to be applied even-handedly and without inconsistency. In Vanuatu currently this ability, while arguably present to some extent in statute, is in fact only really applied where government land is involved – and even then not consistently across sub-leasehold arrangements.
140. Government’s formal operational policy is that no leases²² should be issued until the subject plots are properly and adequately serviced²³. However lack of government (or other) funds to implement services has resulted in expedient leases being registered over unserviced or inadequately serviced land. The option of rejecting applications for leases is often not seen by officials as a tenable one – and if contemplated can result in significant political pressure on behalf of applicants. The alternative option results in a sort of official “blindness²⁴”. For example, of the 1800 households in the settlements of Sarakata and Pepsi in Luganville the Department of Lands estimates that fully 40% are living on unleased and unserviced land. In other words, occupation of lease-land under application is tolerated even though the process cannot be completed under existing policy. This results in a structural “blind-spot” that satisfies a basic requirement for tenants but without the services that are required and should be expected as a basic right.
141. Within defined urban areas, ensuring that plots are serviced is the responsibility of the municipal councils. However, government provides no revenue for this purpose, and mechanisms for raising this revenue by municipal councils are inadequate. A circularity thereby exists in the bureaucracy whereby squatting can become “normal” behaviour in many instances. Indeed it is implicitly sanctioned because the trigger-mechanism

²² Currently only government land can be formally leased and is required to be registered.

²³ Basic services should include formed roads, and adequate provision of drainage, sewage, water and electricity supply.

²⁴ While officials are aware of what is actually happening, there are few remedies practically available to them in these circumstances.

for normalising the lease - the provision of services - is beyond the control of both the Department of Lands and the prospective lessee.

142. On government land a lease is not required to be registered if granted for a period of less than 3 years. Furthermore, while the Land Leases Act recognises an interest in land arising from a *periodic tenancy*²⁵ there is no formal mechanism for the registration of such arrangements. While this does provide a legal avenue if transactions occur that are detrimental to a tenant's interests, the practical reality for many such tenants is that their interest can be terminated quite easily and within a short period of time. There is thus very little protection for parties to these informal agreements. If councils try to order landowners to put into effect service improvements, one consequence - assuming that the landowner is prepared to co-operate - can be the eviction of these tenants either to avoid prosecution or to secure tenants more able-to-pay the cost of service improvements. This is hardly a practical solution to the problem of accommodating the urban poor.
143. Furthermore, the tenuousness of these sorts of individual arrangements between tenant and landowner or leaseholder, inspires little confidence in terms of occupiers making on-going improvements to "housing" stock in these areas - or credit/finance institutions lending specifically for that purpose at preferential rates. The authors heard anecdotal evidence, for example in areas under the custom ownership of Ifira islanders, that landowners frequently refused to allow the building of permanent housing. The reason for that is purportedly because they do not wish to permanently alienate their land for urban housing purposes. At the same time we were advised that this same reasoning applies to a reluctance to allow easements for water supply and electricity services across land, and for the construction of permanent roads.
144. Under such circumstances it is difficult for service providers to deliver the sort of basic urban amenity that is expected elsewhere. Certainly the development standards in these informal settlements are not as high as those in properly approved subdivisions in the wider Port Vila area. Nor is there clear evidence that upgrading of the housing stock and services over time is occurring - although there is evidence of this where leasehold arrangements have become formalised and community management bodies/associations created - somewhat akin to the body corporate structures of apartment buildings now common in larger cities overseas.
145. Unfortunately such group management structures do not commonly exist, or if they do they are not always used. For example, with respect to Port Vila Ifira land, individual landowners are responsible for sorting out issues with their tenants unless the matters in dispute raise wider issues - in which case the matter can be referred to the Chief as Chairman of the Ifira Land Trust for it to be handled. However this step is a voluntary option controlled by the landowner; there is no "automatic" call-up by the Trust. The sort of wider issues that the Trust is interested in include the potential for creating precedents for permanent housing - which tends to lead to permanent alienation of the land from customary use. Because there is widespread suspicion about land trusts generally in Vanuatu, following some noted examples of financial mismanagement, the capacity for Trusts to act more formally in the role of dispute agent or standard-setter is limited.
146. Of course at the heart of this matter is the very high symbolic value and status of land in Vanuatu. The Constitution itself guarantees the rights of

²⁵ That is, the absence of a formal lease but an agreement to permit settlement subject to regular rental payments - the period being defined by the required rental frequency.

ni-Vanuatu to freely exchange land. The significance of custom landownership is, therefore, not to be taken lightly in terms of any planning options or solutions that inevitably seek to place limits on the rights of landowners. Informal tenancies on customary land, that is those not subject to a formal registered lease, are common. While verbal and other non-written agreements have force in law and in custom, differences in obligations thereby created are subject to potential confusion over the terms and interpretation of such agreements. This potential is compounded where tenants seek to change their buildings to a more permanent structure, or to upgrade their sanitary or drainage works or services.

147. The Land Leases Act permits the sub-leasing of leasehold land provided the sub-lessee complies with any and all of the requirements of the head lease and any relevant statutory provision relating to encumbrances, covenants, easements and so forth. With respect to government land, *tenancy* arrangements seem to be controlled by the leaseholder (either individual or group) with no reference to the Department of Lands – because there is no legal requirement to register such agreements. Furthermore, if leases are not finalised and registered then, obviously, any provisions that might normally be attached to these leases will have no effect.
148. A number of forms of lease arrangement are available, including:
- Community lease
 - Corporate / Company lease
 - Individual lease

6.4 Service delivery responsibilities for infrastructure

149. Infrastructure planning and financing is the responsibility of the Government, with service delivery delegated from Government in various ways. There is no defined responsibility for the co-ordination of urban infrastructure planning issues within government.
150. The Physical Planning Unit in the Ministry of Internal Affairs is responsible for the co-ordination of government responses to local government plan development, building permits and bylaws. For this reason the Ministry of Internal Affairs would seem to have the clearest present mandate for urban planning co-ordination, along with the Department of Economic and Social Development (DESD) which has a sector-overview role.
151. Other key operational departments include the Ministry of Public Works and Utilities (roading and stormwater), the Department of Lands (land leases), the Department of Geology and Mines (water supply), the Ministry of Health (public health), and the National Housing Commission (subdivision and housing). The Department of Economic and Social Development has a key policy role arising from its central planning role for infrastructure and finance.
152. The funding and implementation of significant infrastructural works arises through a number of central government channels but usually involves DESD and at least one of the operational departments.
153. Private or quasi-public companies involved in this area include Unelco (electricity and water supply), and various real estate, subdivision and development companies such as Caillard Kaddour Ltd and Island Properties Ltd.

Land subdivision

154. Land development is provided by a number of private sector companies as well as the National Housing Corporation (NHC). Some minimum lot size

standards are set down in the Surveys Act but otherwise no mandatory national standards exist for service provision to subdivisions – these will be established if the present draft National Building Code Act Bill is enacted.

155. The National Housing Corporation was set up to ensure habitable housing for the citizens of Vanuatu. While this was not specifically targeted at low cost, affordable housing it has been widely assumed to be its purpose. It now principally sells rather than develops land, and increasingly the market price of land developed by NHC has moved leasehold property into the middle and high earner end of the market spectrum²⁶.
156. While NHC initially established plot sizes as low as 260m², most potential buyers find this too small. The clear market resistance to a 260m² plot has lead NHC away from this minimum to more marketable larger plots. However this has the consequence of shifting the threshold entry-level price well beyond the range of the lowest earners.
157. For example, at 1,375 Vatu/m² (the standard NHC price for residential plots irrespective of size) the total land price for a 260m² plot (i.e. 357,500 Vatu) is clearly more affordable for low income earners over the 15 years @ 10% interest average term (i.e. approximately 46,000 Vatu/year) than is the next plot size of 600m² at 825,000 Vatu (i.e. approximately 106,000 Vatu/year) – bearing in mind that the average house construction cost on top of this is estimated by NHC at around 2.5 million Vatu.
158. However, even if the smaller plots and house construction costs were affordable, the reduced landholding area is then insufficient for the purpose of developing self-sufficient gardens – on which lower income families are critically dependent. This is a good example of where an inadequately conceived solution creates more potential problems than it solves.
159. The settlement of Ohlen Freswins is an example of a situation where NHC was unable to complete subdivision to the required appropriate service standard – for financial reasons – and contracted a local real estate / property development company (Caillard Kaddour Ltd – CKL) to undertake the completion. However because of difficulties in securing regular and reliable mortgage re-payments from leaseholders, the contracted services and electricity were not provided. This situation dragged on for some 14 years until a recent initiative was undertaken by a majority of the leaseholders. The leaseholders decided to form an incorporated society for the purpose of collecting and managing rent and mortgage re-payments to CKL in order to secure the required infrastructure services. This has given CKL sufficient confidence about a reliable cashflow that it is now beginning the long-awaited and overdue supply of works and services. This is a very positive example of collective initiative that worked partly because this body comprises well-educated, senior public servants and private sector professionals within a reasonably well-defined spatial area. The potential for fostering such arrangements in partnership with land developers remains to be explored further.

Housing

160. Public housing is housing or accommodation provided by public authorities either at a subsidised or below market rental cost, or in a band that is not provided by the market. This does not currently exist in Vanuatu.

²⁶ NHC defines low income as a monthly average income of less than 40,000 Vatu; and middle income as a monthly average income of less than 60,000 Vatu

161. Habitat for Humanity is currently providing limited housing based on the principle of sweat equity (that is, the future owner's labour is provided essentially free). The cost price involves land and materials only. The objective is to provide up to 20 such houses annually.
162. Loan equity is only provided through commercial banks and there are no low interest schemes available that might assist people in targeted groups into housing / accommodation. Financial difficulties resulted in the National Provident Fund withdrawing from such assistance schemes, and the National Housing Corporation is only now reconsidering its role with respect to low cost, affordable housing/land.

Roading

163. Responsibility for major urban and island roads rests with the Ministry of Public Works and Utilities. Minor roads are the responsibility of local government.
164. Roothing in a number of the informal settlements is problematic because of the need to take, acquire or otherwise gain legal access to and across private land. On private land there is often no agreement about easements, road reserves or public access – on government land easements and other covenants can be attached to the lease. In the absence of this those roads that do exist tend to be poorly formed and certainly lack proper curb and channelling for drainage and stormwater flows.
165. With greenfield (i.e. new undeveloped land) subdivision developments – which do not generally occur within existing municipal boundaries – the provision of roading infrastructure can be required as a condition of approval. However, even where this has been specified, problems of finance recovery can frustrate this provision – as the Ohlen Freswins example discussed above illustrates.

Water supply and electricity

166. Water supply in the urban areas of Port Vila, Luganville, Lenakel and Lakatoro is managed by UNELCO (Union Electrique du Vanuatu Ltd, a subsidiary of Lyonnaise des Eaux) under a 40-year contract – signed in 1994 - with the Government.
167. Under its contract UNELCO is required to provide water and electrical supply services in Port Vila, and has the ability to extend its range of services by agreement with the Government and its Board of Directors. It does this by means of submitting forward programming recommendations to Government.
168. Water supply pricing is set according to a contract adjustment formula²⁷ – which is a *rise and fall* formula involving independent indices for labour,

²⁷ The price formula uses the following variables:

M = average daily wage for single unskilled male worker at Ifira stevedoring - not inclusive of allowances = Public Service scale PO2

T = Quarterly price index - Aust Bureau of Stats - Materials [other buildings] Iron and steel - Ref 31series PFRQ.UIF 113004 for first quarter preceding tariff adjustment date

I = Quarterly price index for Materials [other buildings] Industrial machinery and equipment -

Ref 31 series PFRQ.UIF 113009 for first quarter preceding tariff adjustment date

E = Electricity price [KWh] for high voltage applicable on day of tariff adjustment.

The formula is:

$$R = 0.10 + 0.30 \times M/M_o + 0.30 \times E/E_o + [0.25 \times T/T_o + 0.05 \times I/I_o] \times \$AUD/\$AUD_o$$

where o represents the base year [currently August 1998].

materials, power, and exchange rate costs. It is a four-tier pricing structure based on water usage by volume. That is, large users pay more than small users. The four incremental price steps are set at usage bands of 0-50m³/51-100m³/101-200m³/200+m³ per quarter; the multiplier increasing from 1.3 to 1.5 (steps 2 – 4).

169. At January 2002 the four price steps (in Vatu) for 1m³ of water varied from 43.28 to 64.92. When UNELCO began operating in February 1994 the base price per 1m³ was 40 vatu (1994). In real terms (that is, comparing what 1 vatu would buy in 1994 with what it will in 2002) water is cheaper today per 1m³ than it was in 1994 (primarily because of favourable movements in key indices such as the \$Aus and the power price) – remembering also that VAT was subsequently introduced in 1998, raising the actual purchase price of many goods and services. However it is important to note that many residents in informal settlements are paying considerably more per 43.28 vt / 1m³ through their local water “market” as discussed in section 3.3 above.
170. UNELCO has attempted to extend services to settlements such as Blaksans, but it reports continual problems gaining landowner easement / access agreements, and what it considers unjustifiable compensation claims for permitting pipe access across land to other users. This has reportedly stalled a number of service extension initiatives. UNELCO reports that the funds for these extensions remain programmed.
171. In Luganville similar problems have been reported, particularly from the area from which compensation redress is still sought. Generally, however, the situation in Luganville appears to be less problematical. However, occupation of groundwater recharge and riparian areas in and around the Sarakata River are of concern to Unelco because these are threatening to contaminate the abstraction area. If this occurs the closest available alternative pump station location upgradient of where contamination is suspected will be very expensive to operate – and water correspondingly dearer. The aquifer at this alternative location lies considerably deeper and new and more powerful pumping equipment will be necessary.
172. The regulatory responsibility for water supply in rural areas, including the peri-urban areas at the edge of the municipal boundaries, lies primarily with the Department of Geology and Mines, in conjunction with the Ministry of Health, shared with the relevant local government council. However rural water supply systems originate from a number of donor sources including church groups and private philanthropic bodies. As indicated above, Unelco has sought to extend its services beyond the strict boundaries of the Port Vila Municipality – and now operates the supply systems at the government centres of Lakatoro and Lenakel.

Sanitation and drainage

173. Responsibility for sanitation lies with individual property owners. There is no urban service provider for sanitation with the exception of septic tank pump-out services.
174. Most of the urban area relies upon site-based disposal via septic tanks. Many of the soakage fields are either inadequate for the soil conditions or size of plot, or are inappropriate in terms of proximity to water resources.
175. Informal settlements depend on pit toilets.
176. Drainage and stormwater interception is rudimentary except in the town centres.

177. Sanitation Master Plans have been conducted for Port Vila and Luganville but implementation has not progressed as rapidly as recommended in those reports.

Education and Health

178. Health clinics and schools are provided throughout the settlements that were investigated during this project. As the service demand catchments tend to be much bigger than the informal settlements *per se*, the level of services provided mirrors these wider catchments. Service standards are generally, therefore, not simply a reflection of immediate settlement conditions.

6.5 Institutional capacity

179. There is little doubt that without positive intervention informal, unserved communities will remain largely in their existing state for some considerable time to come.
180. The starting point for policy must therefore be to accept that the informal communities that are growing in and around the established settlements of Port Vila and Luganville are essentially permanent settlements in transition. The emphasis should therefore be to develop the capacity of the institutions – including, quite importantly, the communities themselves – to manage their respective transitions to a higher standard of amenity.
181. Capacity is a combination of at least four elements:
- Adequate policy and regulatory frameworks;
 - Adequate structural arrangements of institutions responsible for the provision and delivery of services;
 - Adequate financial instruments and facilities for accessing funds; and
 - Adequate technical and human resources.
182. Whether considering the issue at the policy, programme, design and construction, financing or technical capacity part of the spectrum, only an integrated approach is likely to successfully redress the growing nature of this problem.

Policy / Regulatory Framework

183. There is currently an absence of policy at the national level around the specific issue of urban growth management and affordable housing. This is true across all sectors, including finance and health. While general policy may exist, this is not sufficiently targeted to be useful.
184. To an unknown extent the rehabilitation of a social housing programme may be started through the National Housing Corporation's present initiative designed to reconsider and possibly to redefine its mandate in the area of low cost, affordable housing – if the Board and Government accepts that role. However that is by no means certain, and NHC is, in any event, only part of the capacity that will be necessary to turn this issue around – although a very necessary part even if only as a retailer of low cost, serviced land.
185. Government has an important opportunity through the 2002 National Summit on CRP implementation to further address the matter of national policy on urban housing. *Part E: Implementing social reform to ensure that the benefits of CRP are shared and that reform is sustained* contains two sections relevant to this matter:

- *Policy Area 3 – Integrate nine CRP social policy issues into government policy and programmes, Strategy 3.1: Conduct policy analysis, and provide policy advice on the issues based on data provided by NSO.*
 - *Policy Area 4 – Ensure that the benefits of CRP are shared, Strategy 4.12: Develop a national urbanization policy and planning guidelines.*
186. These two policy areas could be used as the basis for developing the sort of informal housing settlement transformation strategy discussed above. Resources committed to these policy areas will be important in setting a national planning agenda.
187. While far from integrated, and in need of more deliberate direction, Government has adequate regulation in terms of its statutory framework to address many of the issues raised by informal settlements and the lack of affordable, low cost housing – and which will be strengthened by the passage of the draft Building Code Act Bill. There will be advantages in tidying up the law in this area but the more urgent need is on-the-ground capacity.
188. Explanations as to why the existing regulatory framework is not and has rarely been used – for example to force the issue of water supply to those unable to gain direct access because of unco-operative landowners – invariably return to the lack of capacity and political support. While these reasons may be part of the answer, the appropriateness of relying on regulatory solutions that are effectively unenforceable must be questioned.
189. An issue frequently mentioned in discussions is the relatively high cost of building materials and supplies. It is well known that supply-chain cost/price issues are fundamental to people’s housing choice, and that attention to design issues can help reduce longer-term intangible costs – such as health and disability and water charges – thereby providing more disposable income in the longer term. The authors did not have time to investigate this contention closely but a review of charges and taxes may indicate that some relief is appropriate in order to achieve the objective of low cost, affordable housing.

Structural arrangements

190. The ability to influence low cost, affordable housing-related matters and informal settlements is poorly developed structurally in Vanuatu. This is for four broad reasons:
- Insufficient funds are applied to housing and related infrastructural development purposes;
 - The institutional capacity that exists in government and local government is not co-ordinated;
 - The acceptance by ni-Vanuatu of poor quality living conditions that at least allow them to live close to the main centres; and
 - A land ownership system that affords considerable rights to landowners. It is, therefore, hardly surprising that a country whose landowners have only cursory familiarity, at best, with town planning systems, structures and practices is cautious with respect to increasing this bureaucracy further.
191. The Physical Planning Unit of the Ministry of Internal Affairs is a very small division responsible for advising government on matters related to local government and planning and building issues. Its land-use planning and building standard expertise is limited.

192. Environmental planning is essentially under the management of the Environment Unit of the Ministry of Lands, Surveys and Natural Resources. This unit is awaiting the passage of the Environmental Management and Conservation Act Bill that will codify its formal functions and powers with respect to environmental assessment generally.
193. The Water Resources Division of the Department of Geology and Mines (Ministry of Lands, surveys and Natural Resources) is responsible for approving abstractions from and discharges to water sources. It is awaiting passage of the Water Resources Management Act Bill, which will significantly enhance its functions and powers in this area. It currently undertakes water quality testing – as does Unelco – both for its own functions and for the Ministry of Health.
194. The Public Health Department of the Ministry of Health relies upon other agencies and local government to implement basic standards of hygiene and public health as far as housing is concerned.
195. Local Government is generally under-developed in terms of its capacity to provide adequate services within its statutory mandate. While the municipal councils both have a minimum of planning, building and public health inspectorate capacity, their ability to effect improvements is limited. In part this stems from the lack of any ability to influence development by means of direct financial or other assistance. Recent successful initiatives in Port Vila with respect to solid waste management and the provision of a community ablution facility in Seaside suggest how effective the municipal councils could be if appropriately resourced.
196. The National Housing Commission has not operated effectively in this area of urban land and affordable housing.
197. NGO and CSO groups such as Habitat for Humanity have initiated some important programmes at both house provision and community capacity building levels. However these are not sufficiently resourced to resolve any escalation in the extent or nature of problems created by the lack of adequate and affordable housing.
198. Landowners and leaseholders are not presently involved in any formal way in this issue. The matter has been raised intermittently by Vaturisu, the Council of Chiefs of Efate, and occasionally through Malvatumaauri, the National Council of Chiefs. Any future initiatives must ensure that these groups have representatives involved because of the importance of land ownership matters.
199. The private sector has sufficient capacity in terms of expertise in land development, but has not been used directly to provide low cost affordable land and housing. Unless some forms of assurance and assistance is provided, it is unlikely that the private sector will take its own initiatives.

Local government revenue

200. Local government has a limited array of revenue generating instruments from which to provide direct assistance in terms of land holdings or maintaining a housing portfolio. In the main these instruments are a combination of rates, levies, loans and fees, which are subject to the approval of the Minister of Internal Affairs or Finance depending on the revenue type.
201. A land rate is levied within the Port Vila municipality – this is in addition to the standard annual ground rental charged by the Department of Lands on government land leases of 2% of the estimated actual value (calculated every 5 years) - although the extent to which this is actually collected from areas such as Seaside is not clear. This revenue is applied to both

administrative and operational services, but does not match the level of infrastructure provided in particular settlement areas. That is, there is no expectation that revenue raised will be spent in the immediate area from which it came. In itself this is not uncommon internationally, where it is accepted that a degree of cross-subsidisation will occur from more affluent suburbs to less affluent areas.

202. The sole effective means of revenue generation from provincial councils, such as Shefa or Sanma province, appears to be from business license fees. While property taxes can be established by by-law, this is not generally done because the transaction costs of collection are considered to be too high²⁸. There is, therefore, effectively no fiscal capacity to provide services free-of-charge to these communities and no cross-subsidy option from the more affluent members of the community.
203. The result is that quite different service level standards are available within quite close distances across administrative boundaries, and raises the issue as to whether those peri-urban settlements that depend upon the municipal centres should be formally incorporated into these more “affluent” units of government. In other words, whether boundary adjustments should be made in the interest of more efficient urban management – despite the implications of this for the private/public land ownership divide.
204. The difficult reality, however, is that internal sources of revenue are limited under whatever fiscal regime is put into operation. Incorporating peri-urban settlements within municipal boundaries will still require a sizeable injection of capital from central government because the income and wealth disparities are substantial, and there is likely to be significant resistance to higher land and business taxes.

Local government capacity

205. From interviews held with senior local politicians and officials it is clear that local government is well aware both of the existence and location of informal settlements around Port Vila and Luganville, and also of the community risks (social, health and environmental) posed by these settlements. However, being aware of the problem and being able to resolve the issues presented are quite different things.
206. Arguably, Port Vila Municipal Council (PVMC) is better placed to consider these informal settlements because it has a more robust financial base through land taxes and business licences. It currently provides some solid waste collection service, and has installed community ablutions in Seaside. However, as noted above, it is limited in terms of the extent to which it can underwrite services for which no compensating revenue is collected – and has limited jurisdiction with respect to those settlements that border its municipal boundary (although the Municipalities Act contains a specific power enabling municipal councils to administer planning schemes and control buildings within a perimeter distance of 2 miles from their boundary).
207. PVMC has used its by-law making powers to regulate some aspects of settlement hygiene but implementation capacity is either largely lacking or is under-developed.

²⁸ Interestingly UNELCO seems to have gotten around this problem of collection by circulating a collection bus to make payment easier and more direct. Of course it also has recourse to supply disconnection for repeated failure to pay.

208. Both municipal councils have attempted to use their formal powers to enforce the removal of settlers in unsatisfactory locations. Luganville Municipal Council (LMC) reported that it had successfully instigated court proceedings in the case of settlers in Pepsi on the slopes of the Sarakata River (and within the identified water reserve protection area), and used the VMF (the “Vanuatu Mobile Force”) acting under court order to remove families and demolish houses. However, settlers have re-occupied the area within a short period of time – allegedly with support from some constituency politicians (who have reportedly promised leases in return for voting pledges) and from SANMA province. In the face of such lack of support, councils will invariably conclude that the costs and effort involved are not worth the trouble.
209. Provincial local government councils have very limited capability to respond directly to needs or demands because their primary source of funds is from business licences. This is insufficient for the purpose of providing infrastructure for essentially urban settlements, particularly as so little is actually collected from these same communities. There is statutory provision by way of by-law for levying land rates but this seems to be an under-used mechanism outside of the municipalities – the practical obstacles to collection are not insignificant. Moreover, despite the obvious existence of local stalls and shops in the informal settlements surrounding Port Vila, for example, no evidence was found that SHEFA collects any significant amount of business licence fees from these activities.
210. Both municipal councils have staff employed to provide regulatory planning and inspection advice, but this capacity is minimal. The councils seem to rely upon government – principally the Ministry of Internal Affairs and the Ministry of Public Works and Utilities – for oversight of building controls and permits. This despite the fact that government’s own capacity is very limited both technically and numerically in this area of skill.

Financial arrangements

211. There are no financial arrangements designed to assist people to gain access to low cost, affordable housing with adequate amenities. Interest rates and terms on housing loans, whether through private banks or the National Housing Corporation, are such that they are unbridgeable by lower decile earners. Rates of 10% with maximum 15-year repayment terms were cited as common, and even at the NHC target rate of 5% the terms are generally unachievable for those at the bottom of the income spectrum.
212. This situation is made more difficult because of the current level of payment defaulting. The National Housing Corporation reports that some 30% of clients are in default. The result is that the new NHC policy in Ohlen Freswin 4, for example, requires fully 100% land purchase before occupancy is permitted and building can commence.

Resources

213. None of the respective agencies dealing, or allegedly mandated to deal, with low cost and informal housing are adequately resourced to respond to the pressures for housing or the opportunities for improving existing conditions. In particular, resources to build community awareness and create opportunities for improvements to basic housing stock are scarce and poorly distributed.
214. While there is a general lack of resources, some areas are higher priority because they act as gatekeepers to the wider process. Among areas for which increasing capacity is a priority are:

- The planning and inspectorate sections of municipal and adjacent provincial councils;
 - The provision of affordable undeveloped land, adequately serviced and subdivided;
 - The provision of adequate transitional accommodation by means of apartments or flats;
 - The provision of suspensory or low interest finance and credit facilities for first home owners and/or housing improvements;
 - Programmes for the development of schemes for improving existing housing stock and associated drainage and sanitation infrastructure;
 - The public prosecutions section of State Law Office to enable the more effective resolution of leases, land rent default and other lease breaches;
 - Informal settlement development programmes designed to further mobilise community self-help initiatives.
215. Nor should it be assumed that the above measures are the responsibility of central and local government alone. Clearly private sector and donor agency partnerships are necessary to recover the capacity gap that currently exists if this issue is to be resolved.
216. While examples can be found of informal settlements that have made, or are in the process of making, the transition to a fully and adequately serviced community – such as Chapuis in Luganville or Ohlens Freswins in Port Vila – it should not be assumed that this is an *inevitable* transition, nor one that requires no intervention. The reverse is almost certainly true. Without some form of targeted intervention there is a high risk of long-term, inadequate amenity for a substantial number of urban residents.

6.6 Conclusions

217. Many informal urban settlements are effectively beyond the reach of Vanuatu's current planning instruments, institutions and infrastructure service delivery agencies.
218. While the overall regulatory planning framework may be considered sufficient (even though it could be better integrated and is not really used), institutional capacity to deliver is significantly under-strength. This situation is true generally and not just with respect to informal settlements. From this it would be easy to conclude that the solution is simply to build up that inadequate capacity. However this begs the question as to where the real problem lies.
219. What is not clear is whether the lack of institutional capacity is in some sense deliberate because there is doubt about the appropriateness of the planning framework itself. In other words, if the problem lies with the inappropriateness of the planning framework for the Vanuatu context, then capacity building around that framework is unlikely to improve things. For example, providing or training more building inspectors will certainly lead to more building inspections and reports, but if enforcement of conditions cannot occur – for whatever reason – then the on-the-ground situation will not improve and reliance upon a regulatory planning model will have proven fruitless. Compliance and enforcement are absolute requirements of such planning and building frameworks. Without these operational elements planning simply becomes an exercise in raising revenue through permit application fees.
220. Similarly, if the regulatory authorities insisted upon a strict application of, for example public health regulations in the areas of sanitation and drainage, it would be inequitable and counter-productive in the sense that

many households simply could not afford the cost of improvements. Indeed this would compound their current problems and probably result in further sporadic informal settlements.

221. Providing infrastructure that generates more affordable housing options will provide a wider and hopefully higher quality range of opportunities to more households. By itself, though, this does not guarantee that all households will be able to afford those opportunities. The planning interaction between urban poverty and affordable housing is dynamic. As the survey has shown, not all households living in the informal settlements fall within the Vanuatu poverty band. For these households, services and infrastructure rather than poverty alleviation is the issue.
222. Planning for urban growth and development cannot be divorced from planning for poverty alleviation, employment generation, transportation management, liveable community development, and so forth. At the same time, just because urban growth planning is difficult to do and has awkward “edges” with other political and social initiatives, this does not mean that formal planning (regulatory, strategic and community) should not occur. While some might argue that formal planning is an inappropriate tool from the developed world, this argument has little merit. Formal planning mechanisms are extremely diverse and occur across cultures and the North/South and East/West divides. There is no single planning answer; no planning “silver bullet”.
223. The challenge is to design a set of planning instruments and institutions that allows communities to move ahead at a sensible rate without compromising basic agreed values of health and welfare. The next chapter offers some guidelines for constructing this framework.

7. Conclusions and recommendations

7.1. Introduction

224. If the rate of urban population growth over the past decade (1989-1999) continues, Vanuatu's urban population could double to approximately 80,000 by 2016. If this urban growth is not properly planned for and accommodated, Port Vila and Luganville could become overwhelmed with social, economic and environmental problems.
225. Informal settlements are now a significantly large sector of Vanuatu's towns that is growing even faster than the general urban population. The Household Survey conducted for this study found that the age composition of the households in these settlements is predominantly adult. This reflects the contribution that migration from rural areas still makes to settlement growth. But many residents in these communities are by no means newcomers to town. Many were born in town or have lived there most of their lives. Most of these households are likely to be permanently urban. This study thereby supports the findings of the 1999 National Census and several other recent studies in Vanuatu (Haberkorn, 1990, Storey, 1999, and Mecartney, 2000) that there is an increased incidence of rural-urban mobility and greater urban permanence. In other words, most of these people are in town to stay, and the flow of migrants from rural areas is increasing. If problems with informal settlements are not addressed now, they will only get worse.
226. Urban poverty is already a pressing concern in Vanuatu. A large proportion of urban people are forced to live in substandard, unhealthy conditions because affordable housing and basic services are scarce. Uncertain land tenure contributes to the insecurity of many households, making them reluctant to invest in improving their housing.
227. The main factors that contribute to the urban housing shortage are:
- The high cost of housing construction;
 - The lack of affordable credit to low and middle income families;
 - The small amount of land for urban housing coming available, in part because of the slow pace of regularising tenure;
 - Insufficient government, and other, funds to implement services;
 - Other restrictions on service provision;
 - Lack of alternative urban housing that is affordable for low-income households; and
 - Poor co-ordination of urban infrastructure planning issues within Government.
 - The situation requires remedy at two levels:
 - In the community by empowering people to improve their own situation, such as through cooperative action to improve living conditions; and
 - At the level of national institutions, such as by reforming the housing market, increasing the availability of credit, adjusting the price of building materials, and improving the efficacy of urban management and planning.

7.2. Empowering residents

229. The Household Survey found that the informal settlements in Port Vila and Luganville were diverse communities in terms of the socio-economic status of households and, in some communities, by language and island group. The diversity of these communities was evident in:

- Education standards, the residents of these settlements are much more similar to the overall urban population than they are to Vanuatu's rural population. Formal education is seen as a pathway to paid employment in Vanuatu and most paid jobs are in the towns. However, there is considerable diversity among residents by educational attainment, with some residents having no formal education and others with university degrees.
- Almost all households surveyed had at least one person in paid employment; many had two or more people with paid jobs. Many of these jobs are low-paid and insecure; pooling incomes is generally necessary in order for the household to survive. But adult residents include skilled and technical workers, including teachers, doctors, engineers and ship captains. Many women work. (It appears very few, if any, children work outside the household – a reflection principally of the limited availability of unskilled work.)
- The settlements are also diverse in regard to their patterns of expenditure and consumption and, evidently, residents' perceptions about the lifestyles they considered normal for people like themselves.

230. The main thing that households in the informal settlements have in common is that the acute shortage of affordable urban housing forces them to live in unhealthy, unpleasant and, for many, unacceptably poor conditions.
231. The lack of basic services – water, sanitation, electricity – is of particular concern to residents of the informal settlements, and should be of considerable concern to the whole national community. It is a fundamental aspect of the poverty in which increasing numbers of urban residents are being required to live. The present situation in Vanuatu is untenable, for the provision of basic services is often hung up either by slow Government bureaucracy or by landowner reluctance to provide easements for water and electricity pipes across their land (that is, without receiving considerable compensation payments). Given the expected fast growth in the urban population, this problem must be addressed.
232. In regard to social services, the situation is a little different. Although the residents of the informal settlements are hampered somewhat by transport, people generally can find their way to public services, both the local area clinics and schools and higher level ones elsewhere in the town. Their main constraint usually is inability to pay for better quality services. These communities are diverse in the standards of living that people expect and there is no general sense of alienation from the larger town community. This general level of access probably serves residents of these communities better than further provision of special services to them (ie beyond the present health clinics and schools) would do. Social services do not need to be pitched to the general needs of informal settlements but rather to the special needs of particular groups, especially the very poor, within these settlements as, for example, VANWODS is doing.
233. There needs to be a change in the general mindset, from viewing poor people as the problem to viewing them as essential partners in reducing poverty. Instead of necessarily being 'problems', informal settlements may mark the way that cities in this region will continue to grow. The challenge is to encourage them to develop in positive ways and this will require the fostering of community initiatives.
234. There also needs to be a change in formal institutions to make them more responsive to the needs and realities of poor people, and more opportunities for people to participate in decisions that affect their lives. In practical terms, the types of actions that can improve living conditions in these settlements include provision of basic services and improved local and national governance. Improved governance here would mean better access to information, more effective inclusion or participation in decisions about the future of their community, more accountability from government, and more capacity in the community to organise joint action to improve their own living conditions, such as with drainage or garbage management.
235. Recommendations:
- Consideration needs to be given to alternative ways to provide basic services to poor households in the informal settlements, particularly ways that encourage environmentally sustainable self-sufficiency. These could include duty exemptions or Government subsidies on materials such as water tanks or basic solar power kits.
 - Given the demands on Government services, consideration needs to be given to encouraging CSO (including the churches) or private sector

assistance to the settlements. Duty and VAT exemptions could assist CSO and private sector bodies to bridge the gap between what the Government can provide and what urban residents urgently need.

- Attention needs to be given to finding ways to empower these communities to evolve into more sustainable urban settlements. This includes providing them better access to information, more effectively including them or allowing their participation in decisions about the future of their community, more accountability from government, and increasing capacity in the community to organise joint action to improve their own living conditions.

7.3 Improving institutional planning capacity

236. The complex interactions that take place between urban growth, poverty, housing, land ownership and planning regimes, make finding solutions to urban problems particularly difficult. Those solutions must come from the communities themselves if they are to be sustainable. Government's role in this is to provide the leadership that enables those solutions to emerge and then initiate actions that are agreed.
237. While the rudiments of an urban planning system are in place – the statutes, central and local administration, personnel in planning positions, draft physical plans, etc – urban planning as a proactive activity barely happens.
238. Existing institutional planning capacity necessary to adequately manage the inter-related issues of informal settlements and low cost, affordable housing is presently at a very low level. This is as true in central and local government as it is in the community, NGO and private sector. Continuing failure to address these issues is likely to further compound them into the future, resulting in significant and increasing social problems.
239. If a formal urban planning system designed to improve the general amenity of informal settlements, the policy and implementation capability of government and the housing sector, and the range, availability and affordability of urban housing and accommodation, is to be developed, then the following matters in community, institutional, market/private sector and legal areas will need to be addressed:

Community

240. Informal settlements are communities; they are not temporary arrangements. Developing the priorities and planning for change can only occur in consultation and with the commitment of those same communities. Government needs to ensure the capacity of these settlements to engage in the planning process – particularly to encourage community initiatives for self-improvement with respect to housing stock and general amenity.

Institutional

241. Without a co-ordinated approach to informal settlements and urban growth it is unlikely that the resources and initiatives necessary to turn these matters around can be put together. Government should establish an identifiable and responsible agency for managing urban and peri-urban growth and housing issues. This capacity is presently confused across

- government. The main purpose of the agency should be to lead, support and co-ordinate activities between other sectoral agencies in the public, private and NGO sectors and ensure a strategic development approach is taken to identifying, prioritising and resolving issues. The agency should be allocated a senior Minister to ensure direct access of issues to Cabinet.
242. Government should develop a cross-sectoral strategic plan for securing improvements to existing sub-standard housing stock and settlements. The plan should seek ways of maximising housing affordability, including by examining all aspects of the supply chain [building materials and construction-related costs - including land development] to identify opportunities for price/tax reductions.
243. Ways need to be found of providing accessible finance for the purpose of converting sub-standard dwellings to make them conform to minimum reasonable standards – including loan financing options such as sweat equity schemes and other forms of recognised borrower contribution. Government should convene a meeting with the finance and housing sector and potential donors to develop this capacity.
244. Community improvement initiatives are more likely to produce results than single-tenant initiatives. Government should encourage the establishment of funds specifically targeted to community-based applications for the purpose of undertaking approved programmes of work or services to improve settlement standards.
245. Basic services need to be provided to settlements regardless of their status as informal or “approved”. Government should ensure that provision is made for proper and adequate sanitation, drainage and water supply prior to the registration of leases and building permit approval – with a reasonable stipulated period for compliance. This is necessary to recognise the reality that tenants and lease holders often need a period of time to put together the necessary capital before making improvements. Priority attention should be paid to low-lying or frequently flooded settlements.
246. The shortage of appropriate land released for development/settlement purposes at reasonable prices is a severe limitation on affordability. Government needs to identify and investigate opportunities for residential land banking agreements with landowners that secure long-term urban growth gains. In particular agreements to secure future land opportunities with interim lease-back arrangements should be explored.
247. The lack of practical planning and land development expertise in Government [both municipal and local government] is a factor in terms of the lack of development of effective affordable housing, urban growth and informal settlement policy. Development of enhanced planning, monitoring and regulatory /inspectorate capability in central and local government will be necessary as agreements are reached on how the functions and responsibilities should be shared between levels of government, the private sector and NGOs.

Market/Private Sector

248. The private housing sector has not been instrumental in providing low cost, affordable housing. However in the longer term their direct involvement is probably crucial to success – particularly because the public sector has little recent practical experience in this sector. Government should ensure that this pool of expertise is closely involved in the development of the strategy.

Legal

249. Urban tenancy rights are poorly defined and consideration should be given to having these codified in law. The current situation provides significant uncertainty for land/lease holder and tenant alike. Legal residential tenancy rights should reflect the informality of many such agreements but provide a process for community resolution of disputes in the same or similar manner to that provide under the Customary Land Tribunal Act. Community assistance should be provided to explain and introduce this system.
250. Provision should be made for the registration of buildings for urban tenancies at the appropriate community level. This would assist the development of municipal/local government monitoring of the rental housing market, and complement lease records held by the Ministry of Lands.
251. Model public infrastructure easements and covenants should be developed that are certain, fair and equitable. Such model agreements should be applied to all new government leases to ensure that adequate provision is made for the location of urban infrastructure.
252. Statutory procedures should be developed with communities of interest that will enable the provision of urban infrastructure and services to settlements where land or leaseholder agreement is unfairly withheld. Such procedures will need to carefully balance the constitutional rights of landowners with the rights of urban residents to a reasonable quality of life.
253. The municipal and adjacent local government boundaries and responsibilities should be redefined to require cross-boundary administration of defined urban settlements. This should occur in close association with Government agencies.
254. In terms of the above, the critical first step is to develop a national framework strategy for addressing the complex of issues. This should be a joint project involving all stakeholders and parties, because the solutions cannot come from one sector alone.
255. Recommendations
1. That Government develops a practical National Urban Growth and Housing Strategy and timeframe for addressing issues arising from informal settlements and the general problem of the lack of low cost, affordable and adequately serviced housing.
 2. That Government appoints a National Task Group to oversee this work comprising public, private and community sector representatives.
 3. That the National Task Group for the proposed National Urban Growth and Housing Strategy have the following tasks:
 - a. To identify appropriate objectives and minimum standards for living conditions in urban areas.
 - b. To confirm an appropriate institutional structure for co-ordinating and managing the issue of urban low cost,

- affordable housing, consistent with other reforms under implementation - such as the CRP.
- c. To identify financial measures that will assist qualifying urban residents and communities in improving the condition and amenity of sub-standard housing areas and that are sustainable for Government.
 - d. To review the need for more consistent and co-ordinated urban planning, and recommend appropriate planning and building control mechanisms for urban areas, and modifications to the way in which this is currently practiced.
 - e. To investigate ways of securing better landowner-tenant agreements so that parties have more confidence in those arrangements.
 - f. To investigate and recommend ways of securing future urban land and housing sufficient to accommodate projected population growth.
 - g. To confirm priority areas for skill and capacity building with respect to urban planning, housing and finance in both public and private sectors, and to recommend ways of ensuring that this capacity is achieved.
 - h. To investigate the building sector to determine whether the cost for materials and supplies is unnecessarily high and, if so, to recommend ways in which it can be modified – including tax relief and direct subsidies for under-writing social goals - without compromising the viability of the industry.
 - i. To investigate with the building sector options for the development of housing stock at the low rental end.
 - j. To review legal instruments and capacity and recommend improvements that might better achieve the objectives and standards identified by the National Task Group in (1) above.
 - k. To prepare a National Urban Growth and Housing Strategy that integrates the above with a clearly identified timeframe and recommendations for partnership and donor participation.
4. That the proposed National Urban Growth and Housing Strategy and timeframe be reported back to Government, along with a recommended implementation plan, within 12 months of commencement.
 5. That Government discusses with donor / research agencies ways in which the National Urban Growth and Housing Strategy can be advanced and harmonised with other work programmed on the broader front of poverty alleviation.

8 Annexes

8.1 Terms of Reference for this study

Squatter settlement development in Vanuatu

Background

Urbanisation is usually described as one of the major problems facing Pacific island countries. Political statements, action plans, and donor policies are regularly targeted at stemming “urban drift” and encouraging outer island and rural development. Migration, urban expansion, and economic modernisation are believed to be at the root of evils ranging from poverty to social pathology. They are not. Instead, well-planned urbanisation and modernisation are rational responses and potential solutions to these problems.

The mass movement to cities has led to a number of social problems. In the Pacific, poverty may not have been so prevalent before rapid urbanisation of the past five decades, however, urban poverty, especially among women and dependent children, has become a fact of life in all the cities of the Pacific, and in most of the towns. This poverty results because the cash economy has not kept up with the growth of these urban areas.

Demonstrable effects of this result include scarcity of housing and basic services, unemployment and under-employment, ethnic tensions and violence, substance abuse, crime and social disintegration. The Pacific is not unique in this: *all human settlements, cities, towns and villages are under unprecedented social and economic pressures.* (refer *Habitat Agenda And Istanbul Declaration. Second United Nations Conference On Human Settlements*, June 1996)

One way that cash-poor rural people respond to the economic difficulties of moving to an urban area, is to settle in areas where rents are cheap or non-existent and housing is constructed from “makeshift” materials. This is often referred to by the term ‘squatting’. Squatter settlements usually develop in urban centres attracting people from rural areas to employment opportunities in the formal and informal economy of the city.

The provision of public services and utilities to towns and cities has placed pressure on city or town administrators which they are ill-prepared to handle. The Small cities of the Pacific have not had the capacity to address social and economic needs of people seeking employment in urban areas or there has been an inadequate response to the growth of squatter settlements. Insecure land tenure arrangements also contribute to the insecurity and the difficulty of squatters to meet food and other basic needs.

Planning and managing the transition from dispersed rural subsistence agriculture to a concentrated and diversified urban economy has never been easy. However, not only is this transition essential for the survival of most Pacific societies as independent nations, but it will prove beneficial across the spectrum of socio-economic development. Early recognition and supportive policies can ensure that the process is more adequately managed to the advantage of economic and social development.

Squatter settlements have developed within the urban area of Port Vila and its fringes over many years and more recently around Luganville on the island of Santo. The size of the squatter population and the conditions of

accommodation and infrastructure and the tenure arrangements are not fully known.

The government of Vanuatu wishes to address the social, land and physical planning issues associated with squatter developments in the greater urban area of Port Vila and Luganville.

This study is designed to address these issues as well as outline management options particularly with respect to addressing land tenure and issues affecting local government administration and how to plan for, manage and provide essential services to such areas as well as provide some indication for other Pacific Island countries of how such issues can be addressed.

Purpose

The purpose of this study is to assess the extent of squatter settlement in the Port Vila urban area and outline ways of addressing social and land issues arising from such settlements.

Objectives:

1. To provide a social and planning assessment of squatter settlement development in the Port Vila and Luganville urban areas;
2. Review traditional, and administrative structures with respect to urban settlement management and administration;
3. Assess social development needs of tenants-squatters and outline how best these can be met.

Tasks

1. Assess existing social data on the Port Vila and Luganville urban areas and its environs;
2. Assess census and related demographic data on urban settlements in Port Vila and Luganville and provide an estimation of squatter populations in the greater urban areas;
3. Map urban boundaries and squatter settlement locations;
4. Assess poverty and HIE survey data on the incomes and expenditures of squatters and ensure all data is sex disaggregated.
5. Review land tenure arrangements and local government administrative and management structures;
6. Outline national and local government legislation and planning requirements for urban development;
7. Assess the extent to which local and/or provincial government takes account of squatter developments in its planning and management processes;
8. Define responsibilities for the provision of basic services e.g. roading, electricity, water and sanitation;
9. Assess the nature of landlord-tenant arrangements where they exist;
10. Outline land tenure arrangements in the squatter settlements where possible.
11. Assess social needs using participatory assessment processes;
12. Outline the extent of social service provision to squatter settlements and define the priorities for the provision of social services necessary to address well being and meet basic livelihood

requirements for women and men in squatter settlements (e.g. housing, family planning services, education, micro enterprise/small business advice, personal security etc);

13. Assess the capacity of central government, local government and NGOs/CSOs to provide basic services e.g. adequate health and sanitation, housing, education, welfare;
14. Obtain input from squatter communities (ensuring women are adequately represented in consultations and where necessary separately consulted) on their needs and how they are being met;
15. Identify social development and planning priorities and outline how these can be implemented.

Time frames:

1. Two weeks preparatory--collecting secondary data arranging for participatory processes;
2. One week mobilisation;
3. Three weeks participatory processes in at least two squatter settlements in Port Vila and one week in Luganville;
4. Two weeks analysing data and preparing a draft report;
5. One week presenting draft report and amending it for a final report.

The assessment team will include:

Social Assessment

1. Skills and experience required:
 - Social assessment and participatory processes and methodologies as well as quantitative research methods including questionnaire design;
 - Research management and participatory training;
 - At least 10 years work experience in the Pacific (preferably in a Melanesian country would be an advantage);
 - Post graduate degree in the social sciences (sociology, anthropology and/or development studies)

Key Tasks:

1. Team Leader;
2. Manage research teams in cooperation with local counterparts;
3. Design research methodology, questionnaires and participative processes;
4. Analyse secondary social data e.g. census and HIES data;
5. Make recommendations for the consideration of local/provincial and central government concerning social development issues and needs.

Urban/town Planner

Skills and experience required:

1. Local government management and administration;

2. At least 10 years urban/town planning experience (preferably in a developing country)
3. Familiarity with land tenure arrangements in the Pacific (particularly Melanesia);
4. A post graduate degree in urban/town planning and/or resource management.

Key Tasks:

1. Assist with management of research teams;
2. Undertake all urban planning and land tenure assessments;
3. Define scope of local/provincial government roles and responsibilities;
4. Make recommendations concerning the management of informal settlements for consideration by local/provincial and central government.

8.2 Statutory requirements for urban development

The following section highlights a number of the provisions of relevant statutes and statutory instruments that apply – or could be applied - to the control of residential settlement for the purpose of planning, hygiene, and community health and welfare.

8.2.1. Existing legislation

Municipalities Act No.5 of 1980 [CAP 126]

The Municipalities Act establishes the towns of Port Vila and Luganville and their respective local government councils.

Municipal councils [s25(1)] have a number of expressed duties including:

- (b) to safeguard public health;
- (c) to develop, control and manage land taken on lease from any statutory land authority including any housing estate thereon ...

Municipal councils also have general powers according to the 31 classes of activity listed in the Schedule to the Act – and as restricted by the Minister. The Schedule includes such matters as sanitary services [2]; refuse, animal control and fire control [4]; undertake private works and services and recover costs through charges [16]; subject to approval by the Minister to establish, acquire or take over housing schemes and to provide services, build, convert and maintain dwelling houses or flats, and let on rent to tenants [23], and to assist with financing [25]; and to assist government to control building and to administer planning schemes within 2 miles of the municipal boundary [30].

Municipal councils are able to make bye-laws [s36] for the purpose of:

The safety of the inhabitants ...

The maintenance of the health, well-being and good order and government of the municipality ...

The prevention and suppression of nuisances ...

A bye-law may apply to the whole or any part of the municipality [s36(3)], and is void and has no effect if it conflicts with any law or order currently in force [s38].

With the consent of the Minister, a municipal council can raise loans for approved purposes.

Land Leases Act No 4 of 1983 [CAP. 163]

This Act provides, among other things, for the regulation and control of government land leases.

Leases [s17] are deemed to contain a number of overriding liabilities, rights and interests unless the register indicates to the contrary, including:

Rights of way, water, easements and profits that subsist at the time of first registration;

Natural rights of light, air, water and support;

Interest of a tenant in possession;

Rights and powers relating to lines, roads, poles etc conferred under law.

Leases for periods of <3 years are not required to be registered. [s22]

Leases may be granted for up to 75 years – including all extensions [s32].

If the term is not specified or no sub-lease registered, then a *periodic tenancy* [s33] is deemed to exist and its term is determined by the rent frequency arrangement in place.

Agreements implied in leases on part of lessor [s40] include:

Not to permit adjoining or neighbouring land for which lessor is the leaseholder to be used in such a manner as to render the leased land unfit or materially less fit for its purpose.

Furnished dwelling house/flats etc to be fit for habitation at commencement of tenancy.

Minister may prescribe by Order other agreements prior to the execution of the lease.

Agreements implied in leases on part of lessee [s41] include:

Not to permit any part of the leased to be used for any purpose other than as agreed under the lease without the owner's consent.

Minister may prescribe by Order other agreements prior to the execution of the lease.

Lessor's rights of forfeiture are stated [s43] – including over sub-leases [s44].

Provision is made [s68] for restrictive agreements – which does not bind the proprietor of the lease burdened by it unless registered.

Provision is made for the registration of instruments granting a profit over the lease [s69].

All registered easements, restrictive agreements and grants of profit run with the lease and only hold as long as the lease remains valid. Provision is made for the release, extinguishment or modification of agreements etc [s70 and 71].

Provision is made for co-proprietorship of any registered instrument either in common [s74] or joint [s75]. Only the first five names registered against a proprietorship in common have vested interest [s73(1)].

Provision is made [s93] for the formal lodging of a caution – including by any person claiming any interest in the land whether registered or not [i.e. a periodic tenant] – which requires the Director to ensure that the cautioner's interest is not prejudiced before effecting any transfer or dealing.

Subject to a presumption [s107], the minimum age for registration as the proprietor of a lease or interest is 18 years.

Five classes of lease are prescribed [s111]:

Class A Agricultural leases

- Class B Residential leases
- Class C Commercial leases
- Class D Industrial leases
- Class E Special leases.

Municipal and local government councils [and Government and NHC] are exempted from the payment of *ad valorem* fees [Sch 3(b)].

The Department of Lands acts as an advisor to landowners with respect to investment and to facilitate disputes when invited, and has powers to deal with unlawful trespass on government land, and with respect to breaches of lease conditions.

Physical Planning Act No 22 of 1986

The Physical Planning Act establishes 23 classes of development to which the Act applies and for which councils can specify controls once a Physical Planning Area ["PPA"] is declared.

Once a PPA is declared a Plan must be prepared specifying areas within which classes of activities can take place and controls relating to those activities.

Developments subject to the Plan can only be carried out with the express permission of the relevant council - and under such terms and conditions as are specified.

The PPA contains a Schedule [No 1] of activities for which permission may not be required - subject to confirmation by council through the gazetted declaration of the PPA.

The provisions of this Act have no material effect - apart from the declaration of the PPA and confirmation of which parts of Schedule 1 apply - until a Plan is adopted through the stated procedure.

Currently there are no approved plans for any PPA.

Decentralisation Act No 1 of 1994

This Act provides for the establishment of local government councils ["LGC"], their functions and powers.

Councils can develop by-laws but they must not contradict the "essence" of any other Act or the Constitution - and, if so found by the Supreme Court, are null and void [s1].

Where relevant the provisions of this Act are in addition to those contained in any other Act - this is important, for example, with regard to the making of by-laws.

A LGC has the general power of responsibility for good government of its local government region and is directed toward promoting the health and welfare of the people [s18J].

LGCs can make by-laws for 10 matters stated in the Act, including:

Rules and regulations governing matters relating to hygiene and public health [3]

Regulations governing the environmental protection zones ... subject to any legislation creating environmental protected areas in the national interest. [9]

LGCs can also make by-laws specifying rates and taxes for local purposes [s22].

LGC's can raise loans with the consent of the Minister of Finance and the approval of the Head of the Department of Finance [s27E].

All regional laws or statutory orders in force prior to this Act coming into force are saved provided they are consistent with this Act.

Public Health Act No. 22 of 1994

The Minister exercises general powers of supervision and inspection over local authorities in all matters relating to the maintenance and promotion of the public health, and can give directions and make orders for compliance. [s2(4)]

Local authorities have a duty [s6] “... *to take all lawful, necessary, and, under its special circumstances, reasonably practicable measures for preventing the occurrence or dealing with any outbreak or prevalence of any infectious, communicable, or preventable disease, to safeguard and promote the public health and to exercise the powers and perform the duties in respect of the public health conferred or imposed on it by this Act or by any other law.*”

The Director of Health can “...*forbid the discharge of sewage, drainage or insanitary matter of any description into any water course, stream, lake or source of water supply.*” [s9(2)(f)] for the purpose of preventing the occurrence etc of any notifiable disease. The First Schedule lists notifiable diseases and includes diarrhoea, malaria etc.

Part 4 deals with nuisance, and prohibits any person causing or suffering to exist on any land or premise owned or occupied by him, a nuisance or other condition liable to be injurious or dangerous to health. [s22]

S23 states that it is the duty of every local authority “... *to take all lawful, necessary and reasonably practicable measures to maintain its area at all times in a clean and sanitary condition, and for preventing the occurrence therein of, or for remedying or causing to be remedied, any nuisance or condition liable to be injurious or dangerous to health, and to take proceedings against any person causing or responsible for the continuance of any such nuisance or condition.*”

Nuisance is defined in s24 and includes any building whose state is likely to give rise to the spread of infectious disease; land offensive to health or liable to be a danger to health; any act or omission injurious to health; overcrowded dwellings; polluted water courses; insanitary facilities; etc.

Local authorities can issue abatement notices [s25] to correct a multitude of nuisance conditions.

S42 requires every municipal council to ensure that all residential buildings are “...*provided within their curtilage a proper and sufficient supply of wholesome water... to the satisfaction of the ... council.*” and powers to enforce this are provided [s44].

S43 requires every local government council to “... *take all necessary steps to endeavour to ensure that all inhabitants of the rural area under its jurisdiction have access to proper and sufficient supplies of wholesome water for domestic purposes.*”

S49 and 50 state a similar requirement on councils respectively to ensure the provision of, or access to, a “... *proper and adequate sanitation system*”.

S55 provide that urban buildings without a proper and adequate sanitation system, subject to a written notice under s51, may not be occupied.

Offences are stated for contamination of water supply/courses by sewage.

Existing and new urban dwellings are to be provided with proper drains to the satisfaction of the municipal council [s67 and 68].

A local authority can, by notice served, require drains and drainage where these are ineffective or unsuitable [s69].

Part 10 relates to buildings and housing – especially in urban areas - and provides local authorities with substantial powers in relationship to building site drainage [s79], building plans [s80], building materials [s81], proper building site fill [s82], and closing orders [s84].

A s84 closing order can be issued by a local authority in an urban area if a notice is served on the local authority by an environmental health officer regarding the fitness of any dwelling for habitation or occupation. The LA must then serve the order on the occupying tenant [s85], directing any work to be done. If the work is not done then the LA must serve a demolition notice [s86] on the owner, and may subsequently require the removal of the building by demolition order [s87].

Overcrowding is defined as a nuisance [s93] for the purpose of Part 4 Nuisance proceedings. The Minister has particular regulation powers with respect to overcrowding [s94].

Dwellings in urban areas that are “... *so defective, damp or dilapidated, or so deficient in lighting or ventilation ...*” are defined as a nuisance [s96] for the purpose of Part 4 proceedings.

The Minister’s power of regulation [s113] includes:

Design and standards for materials, sanitation [including siting of toilets], drainage works [p].

The standard, quality and adequacy of domestic water [s].

Conditions, requirements and standards for accommodation and definition of overcrowding [t].

Control and maintenance of general environmental health [y].

Local authorities are empowered to make by-laws in their areas of jurisdiction [s116].

Customary Land Tribunal Act No 7 of 2001

This Act provides a mechanism for the resolution and registration of custom land titles through duly appointed hearing panels of chiefs.

The Act extends to the waters within the outer edge of any relevant adjacent reef [s4].

An hierarchy of tribunals is established based on the scale:

- Island land tribunal,
- Custom area land tribunal,
- Custom sub-area land tribunal, and
- Village land tribunal.

The relevant tribunal depends on which “scale” the land in dispute falls. Tribunals can be single or joint land areas of the same scale – e.g. two villages or two custom sub-areas.

Every higher level tribunal also serves as an appellate tribunal [on the original decision] to the lower tribunal – e.g. appeals from a village land tribunal can be taken to the custom sub-area land tribunal, or the custom area land tribunal if the land is not within a custom sub-area, or the island land tribunal where there is only one custom area.

The three lower tribunals comprise three chiefs – the principal chief or chairperson of the respective area council and two other nominated chiefs [provided they are qualified and willing to serve]. The Island land tribunal comprises the chairperson of the custom area council of chiefs and four other nominated chiefs [provided they are qualified and willing to serve].

The Act is elective on persons in dispute, and both parties must agree to its being dealt with under this Act. This Act cannot be elected if proceedings before the Supreme or Island Court are pending.

Decisions of the land tribunal are final and binding, subject to the process for appeals to upper tribunals, the Constitution, and the rights of supervision stated for the Supreme Court under s39 [s33].

The supervisory powers of the Supreme Court are limited to the making of orders relating to competence of qualification to be a member or secretary of a tribunal; undue or inappropriate process; and constitutional matters [s39].

Each LGC or municipal council must encourage and assist chiefs to identify custom area and sub-area boundaries. [s41(1)]

8.2.2. Legislation in draft

Water Resources Management Act Bill 2002

If this legislation is passed as currently drafted, additional powers will be available to assist with the formal setting aside of groundwater recharge areas, and the management of riparian margins and settlement proximity to bores and wells to avoid contaminating water supplies.

National Building Code Act Bill 2002

If this legislation is passed as currently drafted new minimum standards for housing construction, sanitation, drainage and fire safety will be available - especially in municipal and urban areas.

8.2.3. Other Instruments

Port Vila Municipality

The Port Vila municipal boundary was gazetted in February 1988 and has remained essentially unaltered since.

A draft Physical Plan for Port Vila was released for consultation in 1987 but has not been progressed. It is, however, used as a guide for decisions by the PVMC [Port Vila Municipal Council].

Because the draft Physical Plan has not been approved, the PVMC continues to operate under a Municipal bye-law of 1976, which establishes broad planning zones for Port Vila.

SHEFA Province

The Port Vila SHEFA Province area was declared a Physical Planning Area in 1992. This includes a number of the settlement areas.

Government has recently accepted an application from SHEFA for seeking donor assistance to prepare a Plan for this PPA.

Luganville Municipality

The Luganville municipal boundary was gazetted in 1988.

A draft Physical Plan for Luganville was released for consultation in December 1988 but has not been progressed. It is, however, used as a guide for decisions by the LMC [Luganville Municipal Council].

SANMA Province

The Luganville SANMA Province area was declared a Physical Planning Area in 1991. There is considerable overlap with the Luganville Municipal

boundary - primarily in the area for which compensation was not completed - and this has created tension between the Municipality and the Province.

8.3. Data tables from the Household Survey

Table 1 Length of current residence

1.1 Residents of informal settlements in Port Vila

	Year moved to present residence	Previously lived in urban area	Previously lived in rural area	Unknown previous residence
Born there	0			
1960s	4	2	2	
1970s	10	6	3	1
1980s	53	25	25	3
1990s	102	55	41	6
Since 2000	16	9	7	0
Date unknown	17	7	8	2

Note: Data shown here for household heads only

1.2 Residents of informal settlements in Luganville

	Year moved to present residence	Previously lived in urban area	Previously lived in rural area	Unknown previous residence
Born there	18	-	-	
1960s	6	2	4	
1970s	15	4	11	
1980s	20	7	13	
1990s	52	35	17	
Since 2000	20	11	9	
Date unknown	16	3	1	12

Note: Data shown here for household heads only

Table 2 Residents' main needs and problems**Table 2.1 Residents' main needs (as percentage of all responses)**

	Water	Electricity	Better housing	Secure tenure	Sanitation	Better road	General living	Less crowding	Money	Jobs	Food
VILA											
Freswin	85	76	35	11	7	9	11	7	13	4	7
Beverly Hills	91	73	55	0	9	9	0	0	0	9	9
Freswota	93	67	73	13	13	0	0	0	7	0	0
Nabatri	7	50	50	25	5	0	0	0	10	20	25
Olen Mataso	57	32	64	0	4	4	0	0	39	28	28
Sepolo	10	0	50	10	20	40	0	0	30	0	0
<i>Total</i>	<i>72</i>	<i>55</i>	<i>51</i>	<i>10</i>	<i>7</i>	<i>6</i>	<i>4</i>	<i>3</i>	<i>18</i>	<i>12</i>	<i>13</i>
LUGANVILLE											
Central	29	36	43	0	7	0	0	0	29	0	7
Mango	50	39	17	11	0	6	6	0	39	17	6
Pepsi	53	62	38	9	2	0	0	0	7	5	12
Sarakata	27	33	37	7	3	0	0	0	33	3	3
St Michel	31	12	50	4	8	0	0	0	23	4	8
<i>Total</i>	<i>40</i>	<i>41</i>	<i>37</i>	<i>7</i>	<i>3</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>16</i>	<i>5</i>	<i>9</i>

Table 2.2 Residents' main problems (as percentage of all responses)

	Water	Housing	Area (drainage, sanitation, crowding)	Community disturbances	Insecurity	Meeting basic needs	Transport	None or don't know
VILA								
Freswin	30	9	26	11	9	17	5	24
Beverly Hills	18	0	9	0	0	18	18	27
Freswota	33	13	13	20	0	27	0	7
Nabatri	0	20	15	0	5	25	5	40
Olen Mataso	39	7	7	0	0	29	0	29
Sepolo	0	20	10	0	10	40	0	40
<i>Total</i>	<i>25</i>	<i>11</i>	<i>16</i>	<i>6</i>	<i>5</i>	<i>23</i>	<i>4</i>	<i>27</i>
LUGANVILLE								
Central	0	7	7	14	0	14	7	36
Mango	0	22	11	11	0	50	11	11

Pepsi	2	22	2	5	0	33	5	43
Sarakata	3	13	7	3	0	33	7	33
St Michel	0	12	0	19	0	38	0	35
<i>Total</i>	<i>1</i>	<i>10</i>	<i>4</i>	<i>9</i>	<i>0</i>	<i>34</i>	<i>5</i>	<i>34</i>

Table 3 What households can do to improve their living conditions (as percentage of all responses)

	Get jobs or new livelihoods	Get more money	Improve house or get new one	Get secure land tenure	Improve area (drainage, sanitation, etc)	Get more land (gardening, more space)	Educate children	Government must take action	Nothing, don't know, or not necessary
VILA									
Freswin	28	17	24	7	0	2	4	7	28
Beverly Hills	27	27	9	0	18	9	0	1	9
Freswota	47	0	40	13	7	14	7	0	20
Nabatri	80	0	25	5	0	10	0	0	15
Olen Mataso	72	25	18	0	0	0	0	0	4
Sepolo	0	50	10	10	0	10	0	0	10
<i>Total</i>	<i>40</i>	<i>18</i>	<i>22</i>	<i>6</i>	<i>2</i>	<i>5</i>	<i>2</i>	<i>3</i>	<i>17</i>
LUGANVILLE									
Central	21	7	50	0	0	0	7	7	7
Mango	39	6	28	0	0	0	0	0	33
Pepsi	17	5	43	5	2	0	0	7	43
Sarakata	27	3	23	7	3	3	0	10	37
St Michel	0	12	0	19	0	38	0	8	19
<i>Total</i>	<i>27</i>	<i>6</i>	<i>36</i>	<i>3</i>	<i>1</i>	<i>0</i>	<i>7</i>	<i>1</i>	<i>33</i>

Table 4 Other sources of income (% of households)

	Port Vila	Luganville
None	65	56
Selling cooked food or produce	13	28
Renting rooms	6	5
Nakamal	4	2
Handicrafts	7	3
Sewing clothes	1	2
Store	2	1
Transport	1	1
Other	1	2
<i>Total</i>	<i>100</i>	<i>100</i>

	What was the highest class they went to? (Primary class, secondary class, vocational school, college, university, etc)								
	LIVELIHOODS								
	In last 12 months, what was his/her MAIN activity? 1.Cash work 2 Village work 3.Housework/ childcare, 4.Unemployedn& looking for work; 5.Studying; 6.Sick or disabled 7.Retired; 8.Other								
10	If cash or village work, what job? (E.g. secretary, labourer) <i>Remember to ask about children</i>								
11	Do they work full-time or part-time? 1 Full-time 2 Part-time								
	Does anyone else regularly make money? How? (e.g. Renting rooms, Selling at market; Making handicrafts)								
	MIGRATION								
	What is his or her island of origin? (If outside Vanuatu, name country)								
	Where was he/she born?								
	If not born here, when did he/she move to this settlement? (If don't know the year, his/her approximate age when moved here)								
	Where was he/she living right before they moved to this settlement?								
	Does she/he intend to stay here? If not, why not?								

	HEALTH								
	Was anyone sick in the last 3 months? 1. No 2. Yes								
	What kind of problem did they have? Type of illness (eg malaria) or long-time disability.								
	Where did they get treatment? 1. Local clinic, 2. Hospital, 3. Home, 4. Traditional medicine.								

QUESTIONS ABOUT THE HOUSEHOLD

HOUSING CONDITIONS		
21	What is your house mainly built of?	1. Concrete 2. Wood 3 Tin 4. Traditional materials 5. Other
22	Do you have electricity connected?	1. No 2. Yes
23	Where do you get your water from?	1. Own meter 2. Village standpipe (shared) 3. Buy from neighbour 4. Household tank 5. Well 6. Other
24	Where does your water drain to?	1. Septic tank 2. sewer 3. open drain 4. don't know 5. other
25	Do you have your own toilet? With how many families do you share it?	1. No 2. Yes
26	What type of toilet do you use?	1. Pit 2. VIP 3. Flush with septic tank 4. Pour flush 5. None 6. Other
LAND AND HOUSING TENURE		
	Do other families share this house? If yes, how many?	1. No 2. Yes
	Who owns this house / room(s)?	1. Household member, 2. Relative, 3. Government, 4. Traditional/custom landowner, 5. Church, 6. Other
	How did you get this house/ room?	1. Rented, 2. Bought, 3. Built by yourself/family, 4. Other

	Who owns the land the house is on?	1. Household member, 2. Relative, 3. Government, 4. Traditional/custom landowner, 5. Church, 6. Other	
	Do you pay rent for the land? If yes, how much (on average) each month If you don't pay in money, do you give other things to the landowner?	1. No 2. Yes	
	Do you pay rent for the house? If yes, how much (on average) each month? If you don't pay in money, do you give other things to the owner?	1. No 2. Yes	
	Have you ever had problems with your house or land owner? If yes, when did this happen? What happened? Were you able to solve this problem?	1. No 2. Yes	
	Has anyone (including Government) ever tried to make you move? If yes, what happened?	1. No 2. Yes	
	Does anyone in the household own any land?	1. No 2. Yes, in this settlement 3. Yes On this island, 4. Yes, on another island in Vanuatu (island name?)	

	INCOME AND LIVELIHOOD		
	Do you have land for a food garden? If yes, where?	1. No 2. Yes	
	How much food do you grow?	1. Nothing, 2. Less than half of the food we eat, 3. More than half of the food we eat, 4. All	
	Do you keep animals? If yes, what and how many?	1. No 2. Yes	
	Do you catch fish?	1. No 2. Yes	
	How much do you trade of the food you produce?	1. Nothing, 2. Less than half of the food we grow, 3. More than half of the food we grow, 4. All	
	What are the main things that your household needs?		
	What other problems do you face?		
	What can your household do to improve your living standard? Is this likely to happen?	1. No 2. Yes	
	Living where you do now and meeting the necessary costs, what do you think is the absolute smallest amount of money your household needs each week to get by?		

	<u>Community institutions</u>		
	Are you (or other household members) member of any community group(s) like this?	1. No 2. church group 3. social group 4. sports club 5. women or youth groups 6. political group, 7. other	
	Do you get help from anybody? If yes, from whom?	1. No 2. Family 3. Church 4. Government 5 NGO or welfare group 6. Other	
	What sort of help is given mainly?	1. None, 2. money, 3. food, 4. clothes, 5. other	
	Do you give help or money or goods to anyone (e.g. send money back to home village)? To whom?	1. No 2. Yes	

8.5. Other statistical tables and figures

8.5.1. Inter-censal (1989-1999) growth rates for enumeration areas in Port Vila

Enumeration Area	1989	1999	Average annual growth rate
Agathis east	156	763	15.12
Bauerfield	841	3,186	12.69
Freswota	831	2,628	10.97
Le Meridien	75	236	10.92
Tagabe central	411	363	-1.18
Burns Philip	48	134	9.78
Namburu central (simbolo)	613	1,641	9.38
Ohlen	258	661	8.96
Tagabe north	241	586	8.46
Blacksands	2315	4,744	6.83
Nambatri west	402	705	5.35
Malapoa Estate	219	349	4.44
Teouma Road	400	625	4.25
Vila	18905	29,356	4.19
Seven Star	351	543	4.16
Agathis west	670	986	3.68
Pango Road	233	328	3.26
Independence park	329	462	3.23
Seaside Tongoa/Futuna	673	895	2.72
Nambatri east	488	649	2.72
Public works	363	478	2.62
Stade	442	564	2.32
Tagabe south	277	340	1.95
Hotel Le Lagon	40	49	1.93
Nambatu East	595	713	1.72
Tebakor pressing	305	364	1.68
USP	355	395	1.02
Georges Pompidou	391	426	0.82
Ex British prison	384	408	0.58
Bouganville south	81	86	0.57
Seaside Paama	571	606	0.57
Namburu north	887	880	-0.08
Honda farm	405	388	-0.41
Malapoa college	569	484	-1.54
Court house	325	256	-2.27

Jack Fong	420	306	-3.02
Vila central hospital	444	293	-3.96
Namburu south	357	218	-4.70
Nambatri North	368	219	-4.94
Post Office	32	17	-6.02
Nambatu West	321	161	-6.57
Vila East	394	184	-7.25
Colardeau	348	147	-8.21
Bouganville north	481	200	-8.36
Malapoa Point	106	27	-13.02
Melcofe	90	12	-19.19
Not stated		651	
Port Vila	18905	29,356	4.19

Source: Calculated from 1989 & 1999 censuses

8.5.2. Inter-censal (1989-1999) growth rates for enumeration areas in Luganville

Enumeration Area			Average annual growth rate
	1989	1999	
Lot Nothing	1	68	40.19
Pekoa	54	482	20.85
Sarakuta South	288	1387	14.97
Rowok	30	132	14.11
La Milice	43	179	13.58
Sapi West	359	1104	10.70
Segond Canal East	114	255	7.67
St Louis	368	798	7.37
Lot Collet	229	434	6.09
St Michel	288	502	5.29
Lot Solway	276	459	4.84
Sapi East	465	705	3.96
Labusvata South	55	83	3.92
Shell Co	81	121	3.82
Mango	293	382	2.53
Sarakata Central	431	542	2.18
La Roseraie	431	464	0.70
Sarakata North	515	493	-0.42
Procure	157	143	-0.89
British Paddock	273	241	-1.19
Segond Canal West	277	242	-1.29
St Therese	105	91	-1.36
Sarakata East	428	362	-1.60
Lot Procureur	268	212	-2.23
French Paddock	82	58	-3.30

Labusvata North	82	55	-3.80
Hospital	210	132	-4.42
Coop Nambanga	289	123	-8.14
Delegations	66	190	-10.07
Hotel Santo	92	284	-10.74
Not stated	331	0	
Luganville total	6966	10407	3.82

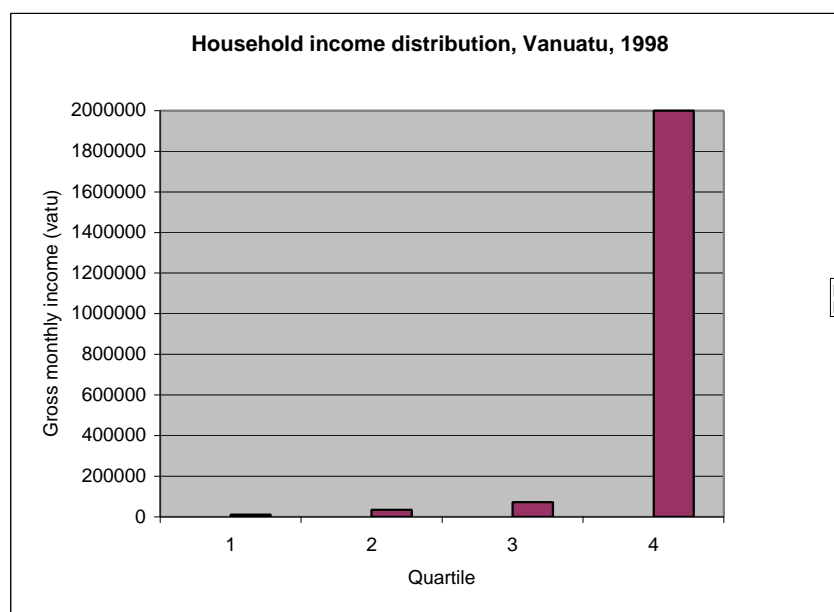
Source: Calculated from 1989 & 1999 censuses

8.5.3. Fast and slow growing informal settlements in Port Vila

	Population			Households		
	1979	1989	1999	1979	1989	1999
Seaside	929	1244	1501	193	225	251
Blaksans/Manples	630	2315	4744	110	499	943
Port Vila	9971	18905	29356	2592	4108	6155

Sources: National Census, 1979, 1989, 1999

8.5.4 National distribution of household income



Source: National Statistics Office, from 1998 HIES

8.6. People and organisations consulted for this study

Cherol Ala, Section Head, Provincial Affairs, Ministry of Internal Affairs
Jonas Aru and Morisen Bule, Planners, Department of Health
M. Bulekone, Director, Vanuatu Family Health Association
Prosper Bouletare, Acting Town Planner, Luganville Municipal Council
John Chaniel, Manager Water Supply, UNELCO
Patrick Crowby, Port Vila Municipal Council
Vivien Dunn, researcher, University of Sydney
Kathy Fry, past Director, Foundation for the People of the South Pacific
Tina Ilo, DSM, Secretary, Social Equity Task Force
Chris Ioan, Director, Department of Geology and Mines
Jacob Isaiah, Manager, National Housing Corporation
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Nancy Wells and Pioni Willie, National Statistics Office
Alastair Wilkinson, EPOC, ESCAP
Michael Wright, Legal Advisor, State Law Office

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