

Title: Challenges for Urban Housing Development for Improving Livelihoods and Well-being of Population of Low-Income Group in Tanzania: The Case of Dar es Salaam

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Abstract

Housing in a society when is properly developed it becomes an effective instrument for population's livelihoods and well-being enhancement. Reaching such progress however has been a great challenge to the population of low-income category in Dar es Salaam city..

The following issues are investigated in the paper: First, the potential housing has in enhancing the livelihoods and well-being of the people at theoretical level and drawing empirical evidence of such phenomena from cities whose governments have made substantive efforts towards developing the sector. Second, the livelihoods and well-being contributed by the constructed housing to large part of population in Dar es Salaam city of Tanzania through existing plans and policies. The third issue looked at the challenges for housing development and how to reduce them for its adequacy to improve the livelihoods and well-being of large proportion of city's population.

1.Introduction

Housing approach in Dar es Salaam like in many cities of Third World has oriented towards reducing the inadequacy of the object for enhancing livelihood particularly in the form of meeting accommodation needs of growing population. In Dar es Salaam there is a number of indicators explaining such aspect. For instance, housing is mainly provided in unplanned/informal/squatter settlements. The growth of settlements is at unprecedented rate in the urban area (Keyssi, 2008) with increased number of houses sheltering large population of low-income category. In 2002 housing in the settlements was resided by 70% of total population in the city while, in other urban areas the population accounted for 60% (The World Bank AF TU 1&2, 2002). By 2010 out of housing units built in the cities and towns between 60% and 70% were in the unplanned settlements with 80% recorded in Dar es Salaam (PMO-

RALG, 2011 and UN-Habitat, 2010). Many houses are in slum condition defined by inadequate safe water, sanitation and other infrastructure and insecure residential status as well as overcrowded making occupants of the houses being subject to poverty. The trend of such kind of housing has been increasing as the city expands spatially to integrate rural areas to become part of Dar es Salaam.

Housing of such status though is limited its existence in urban areas is supported by many scholars as reflection of consolidation/transformation process of the residents majority of them are poor. For instance Turner has observed the potentials of residents who are in transitory in solving housing problem. Thus, he recommended governments to respect, support and guide them where necessary and not condemning and threatening their existing autonomous systems (Kool *et al* 1989). Such progress has been recognized by Tanzanian Government as one step forward in the effort towards attaining adequate housing for increasing the well-being of the people, as the way of reducing their poverty and for the city to become competitive, governable and livable (UN-Habitat, 2003; Collier and Venables, 2013).

The approach has been translated in the implementation of programmes, projects and strategies. In 1960s urban slum clearance and the state-constructed housing programmes were implemented. These were followed by programmes of sites and services and slum/squatter upgrading of 1970s and mid 1980s intended to improve the facilities of unplanned/informal settlements for the benefit of the poor dwellers. The facilities were such as water, sanitation and electricity. The programmes accompanied with provision of surveyed plots to the poor population and imparting skills so that the people become employed and strengthening their economic base. The strategy implemented was reducing rural-urban migrants. The initiatives were carried out by State institutions supported by the international organizations such World Bank with minimum participation of private and popular sectors. The implementation apart from Dar es Salaam, took place also in Morogoro, Tanga, Tabora, Mwanza, Iringa, Arusha and Mbeya.

The performance of these programmes/projects and strategies was however below of intended objective and resulted in large-scale displacement of the targeted households from the

improved settlements (Campbell Horace, 1988). The reasons at theoretical level are associated with the influence of Dependency and the Marxist Centre Periphery perspectives which advocate for minimal emphasis on urban development. Instead, much attention was paid to developing the rural economy through the policy of state intervention whose operation was created by a condition of socialist strategy. The influence of the theories are found in the incapable urban governance systems established to manage urban development including upgrade slum and squatter settlements for housing improvement intended to the poor through a number of initiatives such as the ones mentioned above. The weak established urban governance systems were reflected in a number of patterns such as in financial constraints, bureaucracy, top-down approach, poor administration of loans and lack of adequate opportunities created for the slum and squatter occupants to benefit from better employment and their low level of participation in projects (Materu, 1991; Campbell, 1988; UN-Habitat, 2010). Citing one empirical evidence such as in budget allocation for improving settlements and rural development in Africa, Tanzania is inclusive, Fox (2013) noted that World Bank shelter lending for slum upgrading and sites-and-services schemes in sub-Saharan Africa fell from \$498 million in the period 1972-1981 to just \$81 million for the period 1992-2005. By comparison, a very conservative estimate of World Bank lending for agricultural investment in the region between 1991 and 2006 is \$2.5billion. The total amount invested in projects with an agricultural component over the period was \$14.31 billion (Fox, 2013 quoted in World Bank, 2007).

Following the inability of the responses of 1960s and the 1970s-1980s, the strategy of strengthening urban governance began to take its shape for managing many cities and towns including Dar es Salaam. Housing as one important sector the strategy of joint efforts of state and non-state actors took its course to deal with housing problems. Such strategy is thus placed at urban governance theory the concept defined by UNESCO cited by Kaufmann *et al* (2006) as the process that steer and take into account the various links between stakeholders, local authorities and citizens for the benefit of all involved parts. This implies that enhancing the capacity of the authorities of the top and local levels to interact with the private sector, civil society, individual people and international organizations for each part involved to benefit from development. The concept has been incorporated in a number of legislations and policies that guide urban development housing is inclusive. The National Human Settlements Development

Policy of 2000, Land Act 1999 and Urban Development Planning Act, 2007 are among of them. The rationale for applying the concept in the sector of housing arises because of housing is a concept involving multitude structures with its approach and practice have to be linked to the wider urban economy whose development will be vehicles for promoting general economic growth and productivity. Solving housing inadequacy in the urban areas has been undertaken by various actors in a collaborative manner through a number of strategies such as provision of surveyed plots and infrastructure services to the unplanned/informal settlements and finance provision, formalization, legalization, gentrification, urban renewal. Dar es Salaam, Mwanza, Arusha, Tanga, Mbeya, Moshi, Iringa, Morogoro, Tabora and Dodoma benefitted from the initiatives. The performance of strategies however as assessed by many researchers were unable to reduce housing problems afflicted by residents of low-income who form the majority in the urban areas.

While the strategy of involving many actors towards housing development has been considered in the literature, few studies have explored the dynamics related to contribution of housing to people's livelihood and well-being enhancement in urban Tanzania in a significant scale in the present context where cities such Dar es Salaam is witnessing rapid population growth that demands the object to perform functions to them, the city and nation . This paper therefore intends to explore the potential of housing have in the form of a wide range of livelihoods as an alternative approach and its organization apart from the introduction provided other sections are as follows:

2.Methodological Issues

The data of the paper were collected under the guidance of the research design which have the following components: (i) A critical analysis of various policies, legislations, strategies and by-laws, as well as concepts and theories relating to the theme was undertaken to identify the gaps and collect secondary data. These materials were available in the Government documents, research reports, books, journals accessed in the University of Dar es Salaam and Ardhi University Libraries as well as in the Websites. (ii) Developing research instruments which were used for primary data collection. These were: (a) Open ended and Structured questionnaires (b) Focus Group Discussion Guide (c) Interview Schedule (iii) Using the developed instruments qualitative and quantitative data were collected from a sample of 100 house owners and non-

owners (tenants) in the city's municipalities of Ilala, Kinondoni and Temeke. (iv) The analysis of data collected were processed in the computer with the help of SPSS and Excel Programs. Statistical methods such as percentages, cross tabulation were used to analyze the data.

3. Theoretical Framework of Housing Potential for People's Livelihoods and Well-Being Enhancement

In theory the linkage between housing, livelihoods and well-being exists because all the concepts are capable in transforming the socio-economic and political aspects of urban population to the progressive level. While the well-being revolves around a variety of progressive values the population and the city are striving to achieve for better live and urban setting; such level of attainment can be realized by housing as a strong livelihood means. Though livelihood in much of literature has a definition restricted to households level; for instance Krantz (2001) has noted that the livelihoods are embodied into elements of resources, strategies, activities, institutional process and organizational structure playing a number of roles to households employment is inclusive. In this paper using housing as livelihood means its role is analysed not only from the households level but also the city and national levels. Housing from the view of functional perspective is an object of wide range of significance to the people, region and nation. These are apart from offering a place where a human being can live, housing performs more functions as well. Viewing housing in terms of what it does for people, Bourne (1981, p. 14) defines it in terms of six dimensions. In addition to providing shelter to its occupants, housing also consumes land and demand the provision of physical services such as water and sewage as well as social services to households. As an economic good and commodity, housing is traded or exchanged in a market and acts as an investment good, which returns equity to its owner. It is a basic need, which means that it is essential for the population being like education, food and in most cases health care. As a package or bundle of services a view, which recognizes that occupancy of housing, involves also the consumption of neighborhood services (parks, schools), a location (accessibility to jobs and amenities) and the proximity of certain types of neighbours (a social environment). As a sector of the economy, housing is a component of fixed capital stock, a means of producing wealth and a tool of governments and cities in regulating economic growth. Kissick *et al* (2006) in underscoring what housing performs, they revealed that it creates job opportunities to the people when

construction takes place. They further pointed out that legalization of informal settlements and registration of housing and other real property helps unlock fixed capital for productive investment and builds local tax bases. Referring to Bourne's definition, the types of services housing delivers can be summarized in the form of a schematic flow diagram (Figure 1).

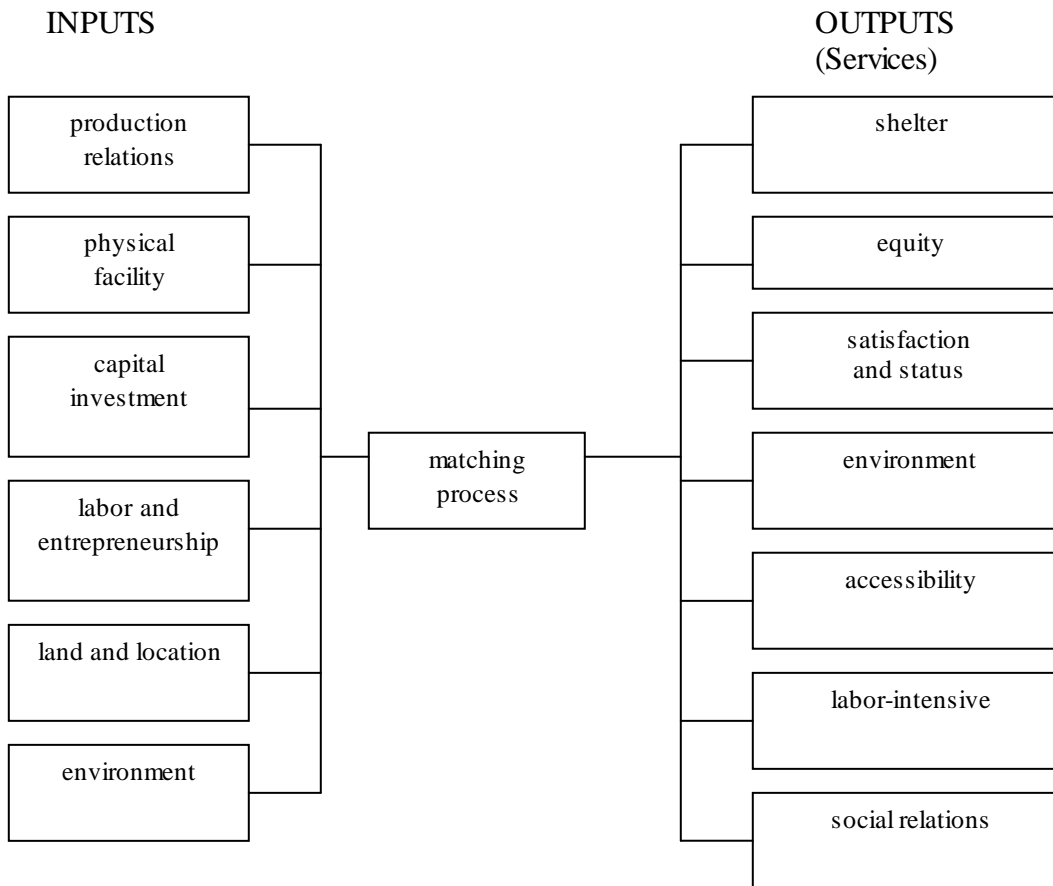


Figure 1: The Flow of Housing Services

Source: Bourne, L.S. (1981), **The Geography of Housing**, V.H. Winston and Sons, London. pp. 15.

4. Empirical Literature Review On Housing Potential for People’s Livelihoods and Well-Being Enhancement

4.1 Employment Generation

Housing plays a major role in stimulating employment, directly and indirectly. Direct employment is generated when housing construction takes place. It was found that in both developed and developing countries housing production is more labour than capital intensive.. As a result a high level of employment is created particularly for unskilled and semi-skilled labour. This argument has been confirmed empirically by a number of studies. A research carried out by Kimm (1977) confirmed that housing construction provides a point of entry to the job market for many unemployed and unskilled urban migrants. In Kenya it was estimated that housing construction in 1977 supplied 12,000 man-years of employment and that 2,000 man-

years of work were generated for each US\$ 2.8 million of investment in housing (Ibid.). House Building Finance Corporation in 1977 had estimated 32,500 man-years of work generated for each 10,000 standard houses built in Karachi, Pakistan (Ibid). A report by Mutero (1981) indicated that in the Namibian situation, the construction of the 80,000 housing units required in the short run could generate employment in the order of 120,000 man-years and anywhere between 12,000 and 24,000 man-years annually.

In Mexico, Burns and Grebler (1977) within housing made a comparison between low and high construction in order to determine the amount of employment generated. They found that low cost buildings give work to relatively larger numbers than do expensive buildings. The number of man-years per million pesos invested fell from about forty-three to about thirty-five when the quality of single family houses was raised from minimum to luxury housing. (Table 1).

Table 1: Employment Generated per Million Pesos of Construction From Various Housing Types in Mexico

| Housing Type | Direct Employment | Indirect Employment | Total Employment |
|---------------------------------|-------------------|---------------------|------------------|
| <u>Single-Family:</u> | | | |
| Minimum | 26.0 | 16.6 | 42.7 |
| Low-Cost | 24.7 | 16.6 | 41.3 |
| Average | 20.1 | 18.3 | 38.4 |
| Luxury | 16.4 | 18.9 | 35.0 |
| <u>Multi-Family:</u> | | | |
| Low-Cost | 28.1 | 16.7 | 45.0 |
| Average, Low-Rise ^c | 20.5 | 18.7 | 39.1 |
| Average, high-Rise ^d | 18.7 | 19.2 | 38.0 |
| Luxury | 13.7 | 20.3 | 34.1 |

(a) In 1960 prices, 1,000,000 pesos =US\$ 80,060

(b) Totals may not add exactly due to rounding

(c)^c Under six stories

(c)^d Six stories or more.

Source: Burns, L.S. and I. Grebler (1977), **The Housing of Nations: Analysis and Policy in a Comparative Framework**, The Macmillan Press Ltd., London. pp. 195.

Another benefit of housing construction is the employment multiplier. When housing is constructed, not only jobs are created in the sector but also in other sectors as well through consumption of intermediate goods. From a study of housing construction in Rio de Janeiro, it was found out that one job would be created indirectly for every three created directly in the construction sector. In India, the National Building Organization had estimated that an investment of Rs. 10 million in building construction at the 1980-1 wage rates generated 625 person-years in on-site employment (420 by unskilled labourers, 204 by skilled) and 999 person – years in indirect employment in the building materials industry and other support sectors

(Moavenzadeh, 1987). In Tanzania, in 1974 construction industry, which includes housing sector, employed 104,777 employees. This accounted for 22.2 percent of the total formal 472,505 employees in the country.

Some scholars also have the idea that housing activates the development of building materials as well as affects imports and exports. Robinson (1963) quoted in Elliott (1968, pp. 17) supported this observation when he argued that without the incentive of housing, such industry like building materials might not develop, forcing the country to be dependent upon imports. Without housing, other demands for building materials might not be sufficient in scale to warrant the construction of cement and brick plants materials and wood working establishments. Giving empirical evidence, Robinson referred to a number of cases where housing-induced building materials industries had the effect of reducing the need for imports while, simultaneously creating foreign exchange earnings through the export of goods. He reported that in 1953, a loan of US \$ 16.5 million from the Export – Import Bank was made to Israel for purposes of developing the cement factories she needed in her massive housing programme. By 1963, continued imports of cement were no longer necessary. Instead, exports of cement (most notably to Turkey) were boosted and a considerable amount of foreign exchange was earned.

4.2 Increase in Productivity of Labour, Improved Health and Effectiveness in Education of Re-housed Children

Kimm (1977) argued that improved housing contributes to increased productivity of labour, improve health and lower health care costs of residents. It also contributes to increased motivation and effectiveness in education of re-housed children and reductions of crime and juvenile delinquency and reduction of fire hazards in residential neighbourhoods.

The premise has been supported by a number of scholars. Medical experts in Tanzania have the same view that good housing and environmental sanitation tend to reduce the chance of children contracting diseases and so lower the rates of absenteeism from schools. Thus the children's chances to receive education are improved (Economic Survey, 1979 quoted in Kulaba, 1981). In Tanzania since 1970s, a strategy of preventive health care has been pursued with an aim of

providing the entire population with health facilities and services. It has been emphasized through improved housing the aim could be achieved (URT, 1994).

A report by Grimes (1976) from a study of Korea indicated that average weekly output per worker increased by 28 percent, from US\$ 13.00 before re-housing to US\$ 17.40 after re-housing. Similar positive impacts had been noted for cities in Mexico, Venezuela and Kenya. All these were realised as a result of improved housing. A study further revealed that housing programmes pursued in Hong Kong and Singapore had an effect of reducing crime and fires.

5. Results and Discussion On Livelihoods and Well-Being Contributed by Housing To Dar es Salaam's Population

The results on livelihoods and well-being contributed by housing to the population are discussed in the light of the following variables:

5.1 The Practice of Renting Business

Housing has made possible renting business to be practiced by the majority of respondents (96%) in the three city's municipalities. The business phenomenon in the city is associated with urban development resulted by population growth as the major factor. As Panel (1975) points out, any discussion of developing countries and their cities' development should begin with understanding of population growth. Panel emphasizes this point because as it has been shown by a number of scholars, there is a relationship between population and urbanization process. The population trends of the city as noted by Chagu (2014:4-5) have gone through various periods of relatively rapid population growth with less than 200,000 people between 1910 up to late 1960s. From 1967 to 1978 the population had grown from 273,000 to over 850,000 (Berry, et al 1982). Within ten years period, from 1978 the city's population reached 1.5 million in 1988 and increased to 2.2 million in 1992 (Mlozi, 1997). It has been reported that the residents in the city were estimated to exceed 3 million by 2002 (Dar es Salaam City Council, 2002). According to 2012 Population and Housing Census reported the population of the city in 2012

was 4,928,923 people with annual growth rate of 4.8% (URT, 2013). The population of the city has influenced both the supply and demand for rented housing.

5.2 Demand and Supply for Rented Housing

While tenants who form the large proportion of city's population demand housing for accommodation and spaces to undertake their businesses such as hotels, shops and stationeries; house-owners are motivated to supply rented housing in order to generate incomes. The incomes earned from the activity are used to meet house-owners' daily needs, education expenses. The Municipal Authorities of Ilala and Temeke also benefit from the incomes by collecting property tax from 50% of houses constructed in each of the municipality. It is unfortunate that in Kinondoni the collection of property tax is not undertaken in many rented houses resided by the population of low-income category. While in Ilala and Temeke municipalities majority of house-owners (56.5% and 62.5% respectively) charge monthly rent per room between TZS 20,000/- and 50,000/- in Kinondoni monthly rent per room is above TZS 50,000/-. The renting is a recent phenomenon, in percentages 24.7% started the period of 1991-2001 while 41.7% commenced between 2002-2011 and 25.8% started after 2011. House-owners-tenant relationship is one of the factor affecting stability of the livelihood defined by rented housing. 86.0% of the respondents expressed good relation on condition that both house-owner and tenant fulfill their obligations. The obligations are timely payment of rents, the two parties show respect, compliance of rules and regulations by the two parties. Literature shows that major responsibilities to be performed by landlords in order to create good relation with tenants in the course of tenancy agreement include maintenance of physical states of rental housing; responding tenants' complaints; having communication with tenants in case there is rents rise and giving notice in case of eviction of tenants takes place. Obligations supposed to be

fulfilled by tenants include prompt rents payment; cleanliness of properties and use the housing as it has been agreed for (Gilbert and others, 1997; Hoffman and others, 1991 and Kabyemera, 2000). These issues were reported to be dominant sources of conflict occurring between landlord and tenant. Findings reported by Amis (1988) quoted in UNCHS (1990 pp.6) indicate that in Kibera landlord-tenant relations center on monthly rent payment. In Lagos, tenants get upset when landlords do not repair the accommodation and fail to respond to their complaints. Few tenants believe that their landlords look after the houses properly (Aika, 1990 pp 96 quoted in UNCHS, 1993 pp.83) .

6. Challenges of Housing Development and The Strategies for Improving the Challenges

Housing for low-income category who are majority of the population in the city is predominated by renting tenure; The challenge exists because it operates in small scale leading to failure to improve the livelihoods and well-being of the population and the city. The indicators of this status the findings revealed majority of house-owners (63.0%) let between 1 and 3 rooms while two rooms are occupied by the owners. The incomplete housing problem is faced by 18.8% of the respondents and arises due to insufficient funds. The majority the houses are in Kinondoni municipality and affect the authority to collect enough property tax. The problem of scarcity of funds can be addressed through the institutions to provide financial support to house-owners, the municipal governments to improve the infrastructure and there is a need tenants and house-owners to get more skills for increasing their earnings and allocate more investment in rented housing sector for improving their livelihoods and well-being.

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