Faulty Towers: Why Uhuru’s Housing Plan Is Dead on Arrival

By Rasna Warah

The eviction of nearly 30,000 people from Kibera, Nairobi’s largest slum, in the coldest month of the year has left many wondering whether the Jubilee administration is serious about its “Big Four” agenda, whose key pillar is affordable housing, along with manufacturing, universal healthcare and food security. The evictions, which have been taking place to pave way for a road, have left more than 2,000 families homeless and have led to the destruction of eight schools and a children’s home, according to the *Star* newspaper. The heartless demolitions have laid bare the government’s lack of understanding of the nature of informal settlements and low-income housing in the city, and why solutions to the housing problem must be found within the beneficiary communities, and not in private sector-led initiatives.

As part of its Big Four agenda, the government says it has allocated Sh.6.5 billion to building 500,000 housing units for low-income households across the country; 100,000 of these units are categorised as “social housing” for households earning less than Sh14,499 a month and another 400,000 units are categorised as “affordable housing” for those earning between Sh15,000 and Sh49,999 a month. Housing for households in the Sh.50,000 to Sh99,999 income bracket will supposedly fall under some kind of mortgage scheme. Ten per cent of the funding for the programme is expected to come from the government, 30 per cent is expected to come from the National Social Security Fund and the rest (60 per cent) is expected to come from the private sector.

One of the fundamental problems with this ambitious programme is that it assumes that owning a home is a priority among low-income households in cities such as Nairobi. This has proved to be a wrong assumption time and again. Studies have shown that home ownership is usually at the bottom of the list of priorities among Kenya’s urban poor: most low-income city dwellers are more concerned about getting and keeping a job, and having enough money to pay for food, water, electricity, school fees and other necessities.

Besides, since a large number of low-income people living in Nairobi and other large urban centres are migrants from rural areas, their priority is not owning a home in the city but improving their homes and farms in their villages. Because of lack of adequate affordable housing for the poorest of the urban poor, a large majority of these migrants end up renting shacks (many of which are owned by middle class Kenyans or powerful individuals) in places like Kibera, where they pay rents ranging from between Sh500 to Sh3000 a month. Urban dwellers who view their stay in the city as temporary will not want to get into long-term repayment/mortgage plans that tie their income for lengthy periods.

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While slum life presents several daunting challenges (Nairobi has even gained the dubious distinction of having among the worst slums in the world, with residents having access to few, if any, basic services, such as sanitation and water supply), it allows new migrants and older residents to pay less for housing than they would in an apartment in other low-income neighbourhoods where rents can range upwards of Sh15,000 a month. For a casual labourer earning less than Sh15,000 a month, the latter option is completely out of reach. Slums, therefore, fill a housing need that the government is unable to meet.

Moreover, as a recent World Bank study revealed, the majority of urban dwellers in Kenya rent their housing, and have neither the means nor the inclination to buy or build houses, especially in urban areas. In Nairobi, for instance, where the average monthly income is in the range of Sh26,000, the average household can only afford to pay a monthly rent of about Sh8,000 or about one-third of its income, which is way below what a mortgage would cost for a low-cost house costing, say Sh2 million. In Mathare, for example, ownership schemes have failed because the residents simply didn’t have the means to make the repayments.

The study, published in 2016, found that 91 percent of households in Nairobi are tenants and only 8 per cent of them either own the structure (but not the land) they live in or own both the land and the structure. The same study also revealed that about 60 percent of urban dwellers in Kenya live in one-room units that could qualify as a slum household as they lack one of more of the following: running water in the unit or building; permanent walls; a toilet shared by fewer than 20 people; and sufficient sleeping space. From a policy perspective, it is clear that what is needed is not more home ownership (which is in any case beyond the reach of the majority of people living in the city) but more affordable rental units that allow these people to move out of slum conditions.

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In most advanced industrialised countries, the shortfall in affordable housing is usually met by what is known as social or public housing, which is subsidised housing that is targeted at those low-income or vulnerable groups that cannot afford housing at market rates. In most European countries, social housing is subsidised and managed by the government or the local authority, which collects the below-market rents from tenants and which is also responsible for things like maintenance and cleanliness.

Although high-rise social housing in places such as London has often been referred to as "vertical slums" because of its poor quality and human-unfriendly designs – epitomised by the 24-storey Glenfell Towers in London, which burnt down in June 2017, killing 72 people and injuring several others – this type of housing has helped prevent many families from sinking into homelessness.

In the 1960s and '70s there were many such City Council housing units in Nairobi: the advantages of living in such accommodation included affordable rents and access to essential services, such as garbage collection and water. Security of tenure was also assured as the authorities had to make a strong case for evicting the occupants. Low or middle cadre civil servants, among others, were usually the main beneficiaries of such housing.

With the move towards privatisation and public-private partnerships (PPPs) in the 1980s and '90s, such housing lost favour in policy circles worldwide, mainly because of the costs involved and a general trend within international development agencies to promote free markets and liberalisation. Governments were encouraged to create "an enabling environment" to allow people to build and own their own homes by putting in place the policy and legal frameworks that would "enable" people to own houses with the help of the private sector – a concept encapsulated by Public-Private-Partnerships.

However, as a report commissioned and published this year by the NGO Hakijamii has noted, public-private partnerships carry enormous risks in a country like Kenya as they could ultimately end up benefiting the middle classes, not those who are most in need of low-cost housing. Corruption is another factor to consider in Kenya, where tenders for such large-scale government projects end up benefiting politically-connected individuals and their godfathers and where cutting corners is part of the deal. It is not hard to imagine a scenario where the proposed low-cost housing units will be allocated to politically influential individuals or will be "sold" to undeserving cousins, sisters and uncles of government officials in charge of the programme.

The 1980s also saw a rise in so-called "sites and services" and "slum upgrading" projects, most of which have a record of failure because they did not consider the priorities of the beneficiaries or because their designs were flawed. In Kibera, for instance, the Kenya Slum Upgrading Programme, a joint project of the Government of Kenya and UN-Habitat, saw beneficiaries selling off their units and moving back to the shacks they came from. If the new home owners had been encouraged to form a cooperative that prevented them from selling off the units, this scenario might not have emerged. Those who are familiar with the project have also reported that many services, such as water, are not regular. It has also been reported that the Kibera slum upgrading project did not solve the problem of overcrowding as beneficiaries rented out some of the rooms in their apartments in order to afford the repayments – a practice that the project's designers apparently encouraged.

Moreover, the design and construction of these high rise multi-storey apartment buildings did not consider that home-based enterprises are the livelihoods of a majority slum dwellers, so open areas and street-level stalls should have been part of the design and architecture. In cities such as Mumbai, beneficiaries of housing projects have been known to move out because they cannot sell their wares, such as cooked food, vegetables and other items, from the third floor of a building. (This is why a high-rise market proposed for hawkers and petty traders in Nairobi is likely to fail.) Slum upgrading programmes in other countries have also not been successful because they failed to consider that residents want to live near where they work – if they are moved to peri-urban areas that are far from where they work, they tend to move back to slums that are near their place of employment.

Many urban poor communities, especially in low-income countries, prefer housing that allows them to conduct business as well. Single-storey housing with shared courtyards are, therefore, preferred. This type of housing was very prevalent in Asian-dominated neighbourhoods such as Pangani in Nairobi decades ago. Several families would rent rooms situated around a common yard where all the families could cook, wash clothes and carry out other household chores. Open spaces are also important to reduce indoor air pollution caused by the use of charcoal or kerosene for cooking – a common practice among low-income families in Kenya. This is why community participation and involvement is critical before such projects are initiated.

Slum upgrading in places such as Kibera and other slums in Nairobi is further complicated by the fact that the majority of the residents are tenants, not squatters i.e. they did not invade public or private land and did not build the structures they live in. In Kibera, most of the land is public and the structure owners are private individuals who obtained permission to build on the land through patronage networks involving local chiefs. In such cases, the question arises of who should benefit from the slum upgrading project: the government (which could recoup its slum upgrading investments through rental income), the structure owner (who should ideally be compensated for the loss of the structure, even if it is just a mud-and-tin shack) or the tenant (who may or may not want to own a home in the slum because he or she has aspirations to move out of the slum eventually or to go back to his or her rural home)?

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A study in the UK in the 1990s found that "cooperatives provide more effective housing management services with usually better value for money and deliver wider non-quantifiable social and community benefits". Cooperatives also foster consultation and public participation, core values of Kenya's constitution.

One of the reasons put forward by international development experts for encouraging home ownership is that it is the most reliable way of ensuring security of tenure, and encourages home owners to invest in and improve their houses. (Yet, it is important to note that even in the most advanced countries, such as Germany and Sweden, the majority of people rent rather than own their housing.) In his book *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else,* Hernando de Soto argues that because property ownership is the foundation upon which capitalism thrives, the poor must be encouraged to own their assets (namely, property) which they can then use to invest in businesses (for example by obtaining a loan against the title deed). This thinking is what has probably propelled the government of Kenya to take the home ownership route to affordable housing.

> To bring down the cost of such housing for both rent and ownership, housing units could be made of low-cost materials rather than the expensive stone and concrete that is demanded by Kenya's ridiculously high housing standards. People could be encouraged to form cooperatives so that the costs are shared and to ensure that the housing benefits the real beneficiaries, not others.

But, as I have tried to argue, home ownership is not the top priority among low-income urban households. Social housing provided by county governments could be an option but the cost of subsidising such housing could prove to be unsustainable in the long term. However, if properly managed, this option is practical if rental income from it can bring in steady and substantial revenue for county governments – and if corruption is not allowed to derail the project. But for this to happen, the right policy and legal frameworks need to be in place, both for county and national governments.

On the other hand, if public-private partnerships remain the most viable option, then the emphasis should be on low-cost *rental* housing or cooperative housing, not individual ownership. The longer term aim, of course, should be to improve the incomes of all Kenyans so that city dwellers are able to afford the the kind of housing they choose to live in, and are not forced to move into shantytowns because there are no other affordable options.

We must also consider that the government's ambitious housing project may become a victim of Kenya's deadliest disease – corruption – which could stall or distort efforts to make affordable housing available to those who need it most.

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