

**MASTER'S PROGRAMME IN URBAN MANAGEMENT
AND DEVELOPMENT**

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The Paradox of Enabling Strategies and Housing
Improvements
Msunduzu, Mbabane, Swaziland

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Acronyms

<i>POFs</i>	Project Outreach Facilitators
<i>IA</i>	Implementation Agency
<i>PSC</i>	Project Steering Committee
<i>UDP</i>	Urban Development Bank
<i>SNHB</i>	Swaziland National Housing Board
<i>PCU</i>	Project Coordination Unit
<i>UNISWA</i>	University of Swaziland
<i>MOHUD</i>	Ministry of Housing and Urban Development
<i>MBCC</i>	Mbabane City Council
<i>NGO</i>	Non Governmental Organisation
<i>SEA</i>	Swaziland Environmental Authority
<i>SWSC</i>	Swaziland Water Services Corporation
<i>SBS</i>	Swaziland Building Society
<i>IHS</i>	Institute for Housing and Urban Development Studies (Erasmus University)
<i>HDM</i>	Housing Development Management (Lund University Sweden)
<i>SIDA</i>	Swedish International Development Agency
<i>KFW</i>	Kreditanstalt Für Weideraufbau
<i>PRODEL</i>	the Local Development Programme in Nicaragua
<i>FUNDEVI</i>	the Urban and Rural Social Foundation in Honduras
<i>FUSAI</i>	Integrated Social Action Foundation (FUSAI) in El Salvador
<i>SNHP</i>	Swaziland National Housing Policy

Summary

This study examines the limitations of the enabling strategy in meeting housing needs of low income people living in Msunduzi, Mbabane, Swaziland. The enabling strategy was applied during the recently completed World Bank funded low income urban settlement upgrading project in Msunduzi.

The enabling approach is a global strategy applied by governments in housing development and improvements for low income people. The approach is based on two aspects 1) the creation of an enabling environment for all actors in the housing market to produce and develop housing and 2) giving opportunity to the users of households or project beneficiaries to improve their own housing conditions according to the priorities and needs they themselves define. In short it's about governments setting boundaries and giving support while relinquishing control in housing production and improvement.

The study addressed four questions 1) why despite the government's efforts to put in place the enabling environment for housing improvements as part of the UDP in Msunduzi the residents are still by and large unable to benefit from these efforts leading them to continue living in poor housing conditions?, 2) Are there any housing improvements occurring in Msunduzi and if so how are they financed?, 3) What is the nature of the enabling environment in Msunduzi? Are the enabling strategies effective in benefiting the poor? Which aspects of the enabling strategies serve as hindrance to housing improvement and 4), which strategies could be used to stimulate initiatives to housing improvements?

The study was based on primary and secondary data. To gather the evidence field work was undertaken in Swaziland during the whole month of July 2005 during which interviews were conducted, a three hour walk through the project area was undertaken and key documents and reports on the projects were reviewed. Of those interviewed seven were key officials from the Municipality, the government and other key agencies related to the Urban Development Project. Also, interviewed were residents and beneficiaries of the project. The field work focused primarily on assessing the seven enabling instruments namely property rights, mortgage finance, building and urban development regulations, infrastructure and services, subsidies, building industry and institutional frameworks.

The study has established that in Msunduzi 1) it is not so much the problem of lack of housing but lack of proper housing, 2) the provision of infrastructure has improved the area physically, 3) some housing improvements (15-20%) have started occurring, being financed through some borrowing the most popular being the *Nhlanyelo* fund, 4) Enabling instruments were applied accordingly but each of the enabling instruments proved inadequate and beset with problems resulting in an environment in conducive for stimulating housing improvements.

The examination of the difficulties has led the study to conclude that four issues stand out as key obstacles to housing improvements in Msunduzi 1) poverty and financial hardships of the beneficiaries, 2) insufficient housing knowledge and information, 3) governance and institutional framework and 4) disagreements on project status and rates. Evidence adduced is that the potential to initiate housing improvements in Msunduzi exists but there is a need to put in place a mechanism that can serve to meet the credit needs of beneficiaries and also to give technical assistance in a number of issues including savings, borrowing, micro planning and housing awareness. Ample evidence is there that the people are willing to borrow in order to meet their housing needs. Therefore, to stimulate initiatives for housing improvements the study recommends an institutionalised support for housing improvements. That is, the establishment of a housing NGO to focus on raising awareness on the importance of housing improvements and mobilisation of resources from international donor agencies and government which can provide grants and credits to the beneficiaries.

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CHAPTER 1 INTRODUCTION

This chapter outlines the research context, introduces the enabling concept, and raises the research problem, objectives of study, the research question and subsidiary questions. The last part concludes with highlighting the methodology and definitions of key terms and concepts.

1.1. Research context

The present poor housing conditions in Msunduzi, Mbabane Swaziland would seem paradoxical considering a successful World Bank funded low income urban settlement upgrading project that ran from 1994 through 31st March 2005. Msunduzi is the oldest, most popular and densest low income settlement located close to Mbabane the Capital city of Swaziland. In Mbabane 60% of the population live in informal settlements and of these the majority stays in Msunduzi. In 1994 the World Bank provided funds to the Government of the Kingdom of Swaziland to upgrade this area under the Urban Development Project (UDP). The Urban Development Project is the first phase of a long term urban development program in Swaziland aimed at increasing urban management efficiency and improving living conditions of low income urban households by providing basic urban services and housing in Mbabane and Manzini. The Msunduzi package of the project has been running from 1994 till early 2005. Through this project low income people have been provided with serviced plots, secure tenure, improved roads and some community facilities. The onus now remains with the people to improve housing on their own. Most people in Msunduzi still live in squalid and dilapidated housing conditions in spite of having benefited from the project. Houses are still of poor quality, built from stick and mud although some are built from permanent material. As an old township the housing stock is old. Of those that are built using permanent material roofs are leaking and paints flaking off. If improvement of the housing stock does not take place and the physical state of the housing stock still remain as before or at worst deteriorates, the success of the upgrading initiative may be overshadowed and there will be no trust anymore on city upgrading. The place will continue being an eye sore and attracting stigma to residents. From the UDP the problem that originated this research is raised. The study questions why with so much enabling environment and upgrading there are still difficulties with undertaking housing improvements in the area.

Socio economic situation generally in Swaziland

Swaziland has been experiencing declining economic growth rates from 4.0% in 1997 to a meagre 1.6% in 2002. Further, the prevalent growth in the last three years has been lower than the population growth rate of 2.9%, implying a shrinking GDP per capita. The annual growth rate in real terms is projected to be 2% of GDP between 2003 and 2006. Secondly the agricultural sector, which is the backbone of the economy and the largest employer in the country, has been experiencing mixed performances with an underlying downward trend in terms of its contribution to GDP. Thirdly the relative scarcity of skilled human resources has hampered the structural transformation and growth of the economy.

The Poverty Context: At present 66% of Swazis live below the poverty line estimated at E71.00 (US\$ 10) per month. There is also a skewed distribution of wealth, which prevails both among the rural and urban dwellers. The inequality in income shows that 10% of the population control 40% of the wealth whilst the poorest 40% control only 14% of the wealth.

Unemployment context: Unemployment is the malaise that creates poverty and is one of the key development challenges facing the country. The unemployment rate was officially estimated at 22% in the 1990s. It is now estimated to be 29% (Swaziland Household Income and Expenditure Survey 2001/2) and the figure undoubtedly continues to rise as job creation fails to keep pace with population and labour force growth.

HIV/AIDS situation: Like many other Southern African countries, the pandemic has beset the country. It is one of five worst affected in the region. With an estimated HIV prevalence of around 38.6% (The 8th Sentinel Sero-surveillance Report of 2002), among adults (age 15-49 age group), it is likely that at least 115,000 persons are HIV positive in the country today. A large number of adults and children have already died of AIDS, leaving behind about 60,000 orphans. It is further estimated that the number of AIDS orphans and vulnerable children in the Kingdom will increase at an average of 10,000 per year for the next ten years. HIV/AIDS has indeed become a weapon of mass destruction (Swaziland 01/09/2004)¹

Poor housing and upgrading

The poor housing situation evident in Msunduzi is not an isolated case in development programs. Many cities in the developing world suffer from problems of poor housing for the urban poor. Also, there have been many projects in other developing countries where upgrading programs have fallen short of expectations because of various flaws. One of the critical flaws of contemporary upgrading programs has been the over reliance on enabling instruments and putting too much emphasis on community and individual responsibility for improving housing conditions and provision of infrastructure and services. This is done with the hope that such interventions will become the panacea for low income settlements problems and yet the integration of poor people into a market economy is a complex affair.

Also, upgrading of slum areas by and large still tends to concentrate on physical upgrading and often insufficiently addresses the post upgrading social and economic issues trusting that the market will take care. The truth is that upgrading of slums does not end with provision of such things as infrastructure, services, and secure tenure but that it must proceed to actual housing improvements. Unfortunately very little attention is paid to the phase of housing improvement in terms of putting in place the requisite enabling environment either by the governments and donors. In this study housing improvement has to do with that stage of the housing process referred to as the occupancy stage of housing wherein individual households engage in the maintenance, repair, upgrade or extend their housing normally in an incremental fashion.

Normally in housing improvement the role of the state is very minimal (Åstrand 2002.). Instead users take an active role in the building process. This process is characterised by growth and change. Building takes place in an incremental and flexible fashion not necessarily in a chaotic way. People provide their own labour and other self generated resources to carry on the building process. Sometimes they get small loans from friends, relatives, formal or informal micro lending financial intermediaries or NGOs within their communities. Dluhosch (1987) and Turner and Margin (1968) in Astrand, R. (2002) respectively describe it as “a continuously evolving process”, and that “household composition, size, social and economic status influence the incremental growth of houses”

Rationale for slum upgrading: Global perspectives

In line with the Millennium Development Goal (MDG) number 7 and target 11 there is an increasing need to provide workable answers to improving living circumstances of the urban poor in an environment of diminishing international and domestic resources (Task force 2005).² The MDG's are goals agreed upon by governments of the world to reduce poverty in the world. Goal 7 has the aim to ensure environmental sustainability. Target 11 has been reformulated by the Task force (2005) to read “By 2020, improving substantially the lives of at least 100 million slum dwellers, while providing adequate alternatives to new slum formation.”

¹ Swaziland Prime Ministers Policy Speech The Smart Programme on Economic Empowerment and Development

² Task force on improving the lives of slum dwellers –Millennium Project

On the global scene there has been a whole generation of interest and efforts over the last thirty years by governments and the donor community to provide interventions of the world's slum situation through various models of settlement upgrading schemes. According to the World Bank's ordinal classification of dominant project types in urban housing since that period, slum upgrading is on the top of the list followed by sites and services, housing policy and housing finance (www.worldbank.org 25/05/2005). Upgrading models have varied according to the socioeconomic situation of each country being developed.

Generally, however, these upgrading programmes have been a mixture of infrastructure, services, and self help programs and at times as part of the upgrading a core house has been included leaving much of the work for extension, improving and finishing up the construction to the individual households. These upgrading schemes have tended to concentrate on neighbourhood upgrading leaving the issue of housing improvement to the people to sort it out themselves according to the concept of enabling.

The enabling approach has implications of relying more on the actions of the house users to carry out housing improvements progressively on their own. Steinberg (1987) in Astrand R (2002) asserts "user's participation is enhanced by an open concept of housing, its technology and design..." The application of the concept of enabling has among other things the connotation of helping, facilitating and supporting individual actions. The theory is that once the enabling environment is in place users will then act appropriately. Unfortunately, in the case of slum upgrading projects, very little enabling occurs during the time when it is most needed by impoverished people in their efforts to carry on with housing improvement.

Distinguishing between the pre occupancy and occupancy stage in the building process (Astrand 2005) argues that very often housing policy ends with the pre occupancy stage of the building process where there are explicit pre-design, design and construction requirements. The implied requirements for the occupancy stage include such things as sustaining the building system, maintenance and progressive building. However, Ray Pawson & Nick Tilley (1994) looking at this subject argue that "programmes work if subjects choose to make them work and are placed in the right condition to enable them to do so" Ascertaining the actual needs of the people according to Tilley is very important to get them to act in a particular way which is aligned to their needs. Astrand R (2002) also points out that "progressive building does not take place in a vacuum. There is a system that influences the speed, the extent and quality of their building activities".

Housing Policy context in Swaziland

In line with the Global Strategy for Shelter to the year 2000 (GSS) and in order to demonstrate her obligation and commitment to the shelter needs of her population, the Kingdom of Swaziland did five things 1) created a Ministry for Housing and Urban Development by legal notice number 162 of 1991 with responsibility for among others housing and human settlements, 2) created a housing agency the Swaziland National Housing Board (SNHB) through the National Housing Board Act No 3 of 1988 with objectives to among others construct and carry out housing schemes, 3) granted the two largest cities Mbabane and Manzini city status in 1992 to strengthen their capacity for service delivery emanating from rapid urbanisation challenges and to sustain their degree of independence and strategic importance to the nation, 4) in 1993 the Swaziland National Housing Policy was put in place with three key policy principles namely, *Enabling property markets to work, In cases of market failure, provide direct assistance to low-income households and No additional direct spending by Government* and lastly 5) In 1994 the government of the Kingdom of Swaziland took up a loan from the World Bank to embark on a ten year settlement upgrading project with the aim to upgrade Msunduzi and other areas in Mbabane and Manzini cities.

In Swaziland there is no social housing, or housing subsidies and grants, the owners themselves are the builders of their houses. Under article 1.5 of the Swaziland National Housing Policy under the role of government the title: *Enabling property markets to work* the policy state that “In most instances, Government’s role is to provide an environment that enables property markets to work”. The role is premised on the view that, given the freedom and opportunity, a significant number of low-income households will mobilise their savings and labour and build their own houses gradually over time”

A good criterion for assessing the enabling approach is derived from the way one of the glorifiers of the approach Angels has defined the approach. According to (Angel 2000) enabling is defined as “ setting boundaries and giving support while relinquishing control” In terms of this definition three things are clear (1) setting of boundaries, (2) the giving of support and (3) relinquishing of control over the market. Taking Angel’s definition into consideration, the recently completed World Bank funded low income urban settlement upgrading project in Msunduzi provides a good opportunity for assessing the enabling approach since it serves as an example wherein for the first time the enabling approaches have been applied in line with the Swaziland National Urban Housing Policy (SNHP). The SNHP promotes an enabling approach to housing provision. This means that the government of the kingdom of Swaziland has embraced the enabling approach to housing as espoused by such proponents as the World Bank, UN-HABITAT and UNDP hence in terms of policy it is not expected to make direct provisions to improvement of people’s housing situations but can only create an enabling environment. In this project the enabling role of the government included reformed and relaxed building codes supplemented with access to secure land tenure and financial arrangements with banks to provide funding loans. It is believed that security of tenure and accommodative financial lending instruments provides individuals with incentives to invest in housing (World Bank). According to this logic the beneficiaries are now in a better position to invest in housing. However, this study provides the real picture.

1.2. Justification of the study

This case study has been selected because it is the first attempt by the Kingdom of Swaziland to try to solve the problem of a squatter settlement using the enabling approach in the context of the new Swaziland National Housing Policy (SNHP) of 1993. The enabling approach is the recent theory and policy in housing provision and improvement during upgrading of low income urban settlements. It is a “user involved housing strategy” that international and local sponsoring agencies rely on to meet the housing needs of the poor. Therefore to study the limitations of the strategy in the context of an upgrading project is a valid undertaking. It is important for the government of the Kingdom of Swaziland, the Ministry of Housing and Urban Development, the Swaziland National Housing Board, Mbabane City Council and all the other actors including the World Bank that the UDP impacts extend to a point where impressive housing improvements take place in this area. This is because the Msunduzi package of the project is aimed at serving as an example for upgrading other slum areas in the other cities in the country. Settlement upgrading is a project approach to housing and urban development. For this reason it is important that the housing improvement component in any upgrading be taken seriously.

The UDP package 13 is a project with substantial funding from the World Bank (E29m) of about \$5m. As of the 31st March 2005 the World Bank’s contribution in this project concluded. As outputs, the Urban Development Project (UDP) has upgraded and provided 1820 residential serviced plots consisting of 450 new plots, upgraded 1320 existing plots, 43 commercial and 7 community open spaces. The residents who are the beneficiaries of this project are now expected to do their part by initiating housing improvements. In this regard Gilbert (2001) points out that “housing like anything else, requires systemic action if it is to

improve and therefore the argument of the housing enabling strategist is absolutely right. Improving the quality of housing therefore certainly requires reforms within the housing sector, but it also requires a great deal else". The worst that can happen is that in terms of the 99 year lease that the beneficiaries have each signed if no housing improvements are undertaken at the end of five years they will be in breach of their agreements and can lose their lease title. Hence the study sets out to investigate the obstacles that stand in the way of beneficiaries in trying to improve their housing situation. It will also investigate what sort of enabling environment has the potential to support and provide basis for beneficiaries of the Msunduzi upgrading project to carry on with individual progressive housing improvement in the upgraded areas. This knowledge can support in the scaling up of the project and or in the replication of the project in other similar cases. A Land and Market Study undertaken as part of the project preparation, to determine development priorities of the prospective beneficiaries revealed that they were keen to have their areas upgraded. Based on the information yielded by the study, enabling residents to raise their own standards of living by providing affordable title to urban plots and allowing for incremental building of permanent homes was identified as one of the key objectives of the project (John Burrow 1993)

The study is also justified because this is a very challenging time in the economic history of the Kingdom of Swaziland as the country is being challenged by poverty, HIV/Aids and an ailing economy. Many avenues to solve the plight of poor and disadvantaged people particularly low income people living in urban settlements like Msunduzi have to be sought. In the case of the Urban Development Project, the project was prepared during a period of economic growth in the early 1990s but now the situation has changed the country now confronts increasing unemployment, HIV/Aids and declining household incomes. Due to the manner in which households are expected to pay for serviced plots, a large, upfront and once-off payment, these factors are likely to make housing improvement, the next important phase of the project, unaffordable to a number of households, women-headed and child headed households in particular, and it is critical that housing policy now seek to create additional low-cost housing opportunities. Presently, unknown is the number of households that will be headed by Aids orphans. Due to HIV/Aids, increasing unemployment, economic and social dislocation, poverty and the need to ensure access to the services required for health and safety demand for housing will be more in qualitative terms than quantitative.

Documents that are available on the project do not say much about actual housing improvements taking place. The only operation and maintenance issue that is prominent in the project literature is infrastructure operation and maintenance as being a municipal responsibility. There is no available study that has been carried out to document this post upgrading aspect of housing improvement. This concept of incremental building implied by the enabling approach has not been well researched in Swaziland.

In Africa by 2001-2003 the World Bank was engaged in upgrading projects in ten countries namely Burkina Faso, Cameroon, Cote Divoir, Ghana, Mali, Namibia, Senegal, Tanzania, and Swaziland³. In reviewing these experiences Sumila Gulyani and Genevieve Connors who did the review for the World Bank share on lessons of cost recovery, community participation, standards for infrastructure, income generation, tenure security but nothing on experiences with occurring housing improvements in the upgraded areas. In all the ten case studies reviewed experiences with housing improvements and challenges thereto remains a gap. This study focuses on this gap looking at the Swaziland case study.

³ <http://www.worldbank.org/urban/upgrading/africa-asses.html>

1.3. Research problem

The core problem of this thesis has been identified that despite the government's efforts to put in place the enabling environment for housing improvements as part of the UDP in Msunduzi the residents are still by and large unable to benefit from these efforts leading them to continue living in poor housing conditions.

Before 1992, there was no Housing Ministry in Swaziland. Therefore the government's involvement in shelter was marginal and fragmented with little attempt towards serious policy articulation for the sector. While all over the world, different types of social housing schemes were being developed in Swaziland, no such system existed in order to ensure appropriate affordable housing for the poor who could not afford. Uncontrolled squatting around almost every town was occurring. In 1992, the Ministry of Housing and Urban Development (MOHUD) was created with a specific mandate for shelter issues. With this began serious policy articulation of the sector and the country was able to take part in a number of global shelter forums which then shaped its policy orientations.

One of the first initiatives by MOHUD was getting government's approval of the 1993 National Housing Policy (NHP). The NHP spelt out the enabling approach as the government's policy for shelter provision. As a concrete expression of the NHP the Ministry embarked on a number of programme initiatives. The most important of these was the Urban Development Project (UDP) where the enabling approach as a new government policy was tested for the first time. The UDP is the first such huge project undertaken by the ministry within the framework of the enabling policy environment. This meant that government for the first time assumed passive role in the supply of housing. In many respects the UDP represents Swaziland's *de facto* housing policy⁴

As part of the UDP and in order to make it easier for the beneficiaries a number of enablers were put in place. For example, tenure regularisation, arrangements with Swaziland Building Society (SBS) for mortgage finances and grade 2 regulations were developed. However in spite of all these efforts, conditions remain as poor as before in Msunduzi. On the physical side there is an evidently tremendous improvement. Infrastructure has been provided including paved roads and pedestrian pathways, water supply points and sanitation platforms, high mast lighting, drainage, communal washing bays and surveyed plots. The beneficiaries have each been allocated own plots varying from 300 sq m to 900sq m on a 99 year lease arrangements.

On the other hand as part of the enabling effort the local building codes have been lowered. For example, people are free to use model building plans instead of approaching architects for building plans. Again, the most obvious challenge now is how the people move forward to concrete project results and initiate housing improvements. Gilbert (2001) argues that one way to help in the development of low income settlements is to remove the regulations that constrain development. The UDP is based on two facts linked to the Swaziland National Housing Policy that reflects the circumstances that is faced by many families living in Msunduzi and other low income urban settlements in Swaziland. The facts stated are the following: 1) since embracing the enabling housing approaches there is lack of answers on the part of the government and municipalities to attend the housing necessities of a great part of the population with an important lack of income in these areas. 2) There is the assumption that once the low income urban population could afford a site with infrastructure as the ones provided by the UDP, they will be able to build their houses incrementally in accordance with their economic situation, through their own work using free time, often being helped by relatives and friends.

⁴ Housing Sector Analysis –main document on proposed housing policy

Improvements in dwellings are important in order to safeguard the health of people. Poor housing can result in many public health problems such as respiratory diseases, gastrointestinal and parasitic diseases. Research has shown that improving essential health hardware in housing (i.e. fixing a leaking toilet, electrical repairs, having sufficient water, having somewhere to wash etc.) can lead to improvements in health status and reduce the risk of disease and injury. Improved living conditions can lead to maximum health gain, particularly for children aged 0-5 years. With an improved home the quality of life of a person is enhanced. A healthy home is well ventilated; free of pests, toxics, and dangerous gases; dry; clean; comfortable; and affordable. Good construction, maintenance and housing improvement practices can achieve these conditions, even in an older home.

Occupying an improved housing helps in raising people's self esteem and it empowers people to get on with their lives. To a poor person an improved housing situation represents an important physical and social asset. Urban home ownership provides at least a partial source of social and economic security. Unimproved housing as a result of low income levels of the poor tends to intensify poverty. Supporting improvements in housing addresses the environmental dimension of urban poverty and can be a key entry point through which social, economic and political dimensions can be addressed.

Improved housing brings social and institutional multipliers, as important as economic and financial multipliers. For most families, housing is their single largest financial investment; it is also their most important physical asset – whether they are low-income squatters building their own houses and negotiating land tenure or middle-income families purchasing a conventional home. Poor people find it hard to purchase building material, pay for transport and service huge mortgage loans from the banks. Housing improvement activities requires support and understanding of many actors because of its nature of being incremental, flexible and taking a long time to devise special programs to deal with these.

The other problem in Swaziland is that housing that involved financial institutions and building contractors or companies are often beyond the reach of the low income groups. Thirdly subsidies and incentives towards the building sector in this case Swaziland National Housing Board (SNHB) has made land and housing even less available to the poor. Subsidies that are there in Swaziland are not targeted and demand driven instead they benefit mostly the civil servants and other middle income people. The lack of adequate housing in cities of developing countries is one of the most pressing problems of the 21st century (UNCHS, 2001). In Msunduzi it is not so much the problem of lack of housing but lack of proper housing. For instance the housing is dense; the housing stock is old and not made of permanent materials. Residents are mostly renters and social participation and community organisation is often lacking. The other housing programs by the Swaziland National Housing Board are beyond the reach of the low income people because the rentals required are too high. The people have no access to financial assistance either from the local banks. There are no financial intermediaries to service the poor people. However there is no evidence whether the beneficiaries are willing to borrow in order to meet their housing needs or not. As Rogaly and Johnson (1997: 119) in (Gilbert 2001) put it “lending can harm as well as enable poor people. Financial relationships, especially those of debt, are one way in which the powerlessness of groups of poor people is entrenched” He argues given their unstable economic circumstances, many families worry about getting into debt; they are prepared to take out loans only as a last resort.

1.4. Objectives of study

The main objective of the study is to assess limitations of the enabling strategies in stimulating housing improvement in a low income urban settlement. The overall goal of the study is to recommend a model for stimulating housing improvements in Msunduzi thereby

contributing to knowledge that might help influence and shape future housing policy in dealing with housing problems in newly upgraded low income urban settlements in Swaziland.

1.4.1. Specific objectives

The specific objectives of the study are to:

- To assess housing improvements occurring in Msunduzi project area
- To investigate obstacles that confronts beneficiaries in initiating housing improvements.
- To investigate factors and strategies that can influence housing improvements in the project area.

1.5. Scope and description of the research area

Location

Msunduzi lies on the south-eastern part of the capital city Mbabane about 3km from the city centre. It falls within the jurisdiction of Municipal Council of Mbabane. It has five sub-areas (Gobholo, Mncozini, Mntulwini, Mncitsini, and Maqobolwane) and most of them occupy steep and rocky hillside slopes. In 1994, before the start of the Urban Development Project (UDP) Msunduzi was described as the worst slum area in the kingdom of Swaziland in terms of physical and social conditions such as poor housing conditions, inaccessible roads and pedestrian pathways, poor water and sanitation, criminality, drug and alcohol abuse. The people had no legal title to the land and most housing stock consisted of mere shacks.

The World Bank upgrading project

In 1994 the government of the kingdom of Swaziland took up a loan from the World Bank to embark on a ten year settlements upgrading project with the aim to upgrade this informal settlement. The UDP has upgraded and provided 1820 residential serviced plots consisting of 450 new plots, upgrading 1320 existing plots, 43 commercial and 7 community open space. Besides the provision and upgrading of residential, community and commercial plots the project has provided roads, drains, refuse disposal facilities, street lighting, communal structures, water and sanitation (Burrow 1993)

Why Msunduzi was chosen for upgrading

Msunduzi was selected as the first priority for upgrading by the UDP. Therefore it is the only location where project development has been completed. The reason the UDP selected Msunduzi location as a priority was that it is the oldest, largest and most densely populated informal settlement in Mbabane. It lies close to the city centre and the main industrial area and is therefore an attractive location for urban residents. The majority of people staying in Msunduzi fall in the low-income category and it is here where most of the urban poor live (Burrow 1993). The problem is that housing improvement is not taking place as expected after a successful development project.

1.6. Research Question

The core question of this study is: *Why do beneficiaries find it difficult undertaking individual housing improvements in the upgraded Msunduzi low income urban settlement?*

1.6.1. Sub questions

In order to narrow the scope of this interrogation to the case study, the following secondary questions were raised:

- *What are the obstacles that beneficiaries face that hinder them from undertaking housing improvements?*
- *What is the nature of the enabling strategies in Msunduzu regarding its role as stimulator of housing improvement? Are the enabling strategies effective in benefiting the poor? Which aspects of the enabling strategies serve as hindrance to housing improvement?*

In order to determine the kind of housing occurring and possible financial mechanisms for housing improvements this study asks:

- *What are the general housing conditions in the area?*
- *Are there any housing improvements occurring in the project areas and if so what is the nature of improvements and*
- *Which mechanisms are used to finance the housing improvements?*

Finally, to determine the solution to the problem, the study asked:

- *What sort of enabling environment has the potential to support and encourage housing improvement to take place in the upgraded area?*

1.7. Research methodology

Details of the methodology are presented in chapter 3. In summary this study was an exploratory qualitative research case study based on primary and secondary data. Fieldwork data collection methods included interviews, literature search in libraries on housing enabling policies, experiences with upgrading projects and concepts of incremental housing improvements, a walk through analysis of the Msunduzu community, retrieval of secondary project related data and recording of physical data.

1.8. Definitions and Concepts

House: A house in its most general sense is a human-built dwelling with enclosing walls, a floor, and a roof. It provides shelter against precipitation, wind, heat, cold and intruding humans and animals. When occupied as a routine dwelling for humans, a house is called a home (though animals may often live in the house as well, both domestic pets and “un authorized” animals such as mice living in the walls). People may be away from home most of the day for work and recreation, but typically are home at least for sleeping. A house generally has at least one entrance usually in the form of a door or a portal, and may have any number of windows or none at all.⁵ Although there is a broader definition surrounding the concept of housing but for the purposes of this study we will use this basic definition when referring to a house.

Housing improvements: These have two components 1) external improvements 2) internal improvements. External improvements relate to structural building improvements that result in the improved appearance of the building or a house. For example, house extensions in the form of adding extra room, fencing, painting and putting water and electricity in the house. Internal improvements refer to the investment made inside the house for example, buying furniture, fridge, stove chairs and beds.

Concept of incremental housing improvement: In this study housing improvement is given the same meaning as incremental, progressive, staged, evolving and installment housing. The study did not however include internal improvement. Dwelling evolution in progressive developments, or progressive development, is the process by which initially very basic and

⁵ **Source:** <http://en.wikipedia.org/wiki/house>)

even precarious forms of shelter eventually become lasting, durable housing. The process is managed by users and, consequently, housing is continuously tailored to the household's changing characteristics and needs.

Qualitative housing deficit: Refers to bad housing, for instance, housing inadequate for habitation due to state of repair, ageing, location in high risk zones, unhealthy, and crowded.

Quantitative housing deficit: Refers specifically to the total number of houses needed to meet the needs of all households in an area under study.

Enabling housing concept: Creating an environment (sometimes through supporting, helping, legislative means) conducive for other actors to produce and develop housing. It also implies giving the opportunity to users of houses to improve their condition according to their needs and priorities that they define themselves. According to (Angel 2000) enabling is defined as “ setting boundaries and giving support while relinquishing control”

Security of tenure: Is the right to possess land. If land is secured it means the owner has a legal document which act as a proof that he or she has a legal right over that land. Security of tenure can be divided into two, firstly, leasehold, the right to lease the land for a specific period of time and secondly, freehold, the right to possess or own the land.

Self Help Housing/Self Help Process/Self Help Building: A process whereby individuals assume responsibility to house themselves. Through this process they can reduce costs by providing their own labour “sweat equity” and by using own contacts to procure materials, by managing the process themselves homeowners can reduce overhead costs.

Informal Settlement Upgrading: is the provision of basic services and infrastructure to an informally settled community. Upgrading gives the area legal recognition in the sense that households who have been occupying the area illegally are given the right to possess or lease the land. The right to possess the land protects households from eviction and gives them the security to invest in housing. The goal of upgrading is to ensure permanent settlement of the residents with better living and environmental conditions

Sites and Services Schemes: Generally take place in a green field or vacant land. Serviced land, that is, land with infrastructure and basic services is given to households sometimes with a starter house and they are left to improve the physical structure on their own. Sites and services provide land tenure to the beneficiaries. The central concept is a shift of focus from the provision of a complete house to the provision of a serviced plot.

Organized Self Help: Projects are initiated and facilitated by some form of organization, such as the national government, local authority, private developers, NGOs, or community based groups. The facilitating organization helps the homeowners that have chosen self help housing and bears responsibility to authorities and financial agencies.

Key stakeholders: The term stakeholder refers to individuals, groups or organisations with an interest in the evaluated intervention or in the evaluation itself, particularly: authorities who decided on and financed the intervention, managers, operators, and spokespersons of the public concerned. These immediate or key stakeholders have interests which should be taken into account in an evaluation. They may also have purely private or special interests which are not legitimately part of the evaluation. The notion of stakeholders can however be extended much more widely. In this study the key stakeholders are persons who occupy key positions in the government and implementing agencies, community leadership and banks i.e. informants from the municipality, the Swaziland National Housing Board, Government's Project Coordinating Unit, Swaziland Building Society, Community leadership including the MP, Councilor, and Zone leader). These are the people who have been involved with the Urban Development project since inception at least the government officials. However, the

politicians also have a better idea because they deal with grassroots community problems almost on a daily basis.

Beneficiaries: those people who have benefited from the Urban Development Project by being allocated plots in Msunduzi under package 13 of the UDP. Beneficiaries receive support, services and information, and use facilities created with the support of the intervention. Some people may be beneficiaries without necessarily belonging to the group targeted by the intervention.

Slum households: are defined as a group of individuals living under the same roof lacking one or more of the following necessities: access to improved water, access to improved sanitation facilities, sufficient living area, structural quality and durability of dwellings, and security of tenure. In the World more than 900 million people can be classified as slum dwellers, most living under life and health threatening circumstances. Almost one of three urban dwellers –one of every six people worldwide-already lives in a slum (Task Force 2005).

1.9. Organization of chapters

The text of this thesis is organised into six chapters with summary, acknowledgements and appendix.

Chapter 1 is an introductory chapter which includes the out line of the research context, introduction of the concept of enabling, research problem, objectives of study, the research question, subsidiary questions, mention of the methodology and definition of key terms and concepts.

Chapter 2 presents literature reviews on the enabling approach as the recent theory and policy in housing and urban development regarding the provision and improvement of housing in the context of upgrading low income urban settlements. The chapter begins with outlining the history of the enabling approach from Habitat, the World Bank and Habitat II, giving some reasons why enabling is important. The chapter ends with critiques and different views on the approach.

Chapter 3 describes the methodology applied in this research. The objectives, relevance, validity and importance of each method is discussed as well as how each fits into the underlying study, the body of existing knowledge and the conceptual framework of this study.

Chapter 4 dwells on the description of the case study area which is Msunduzi and package 13 of the Urban Development Project

Chapter 5 is concerned with the analysis and presentation of the findings of the case study. An analysis of seven enabling instruments namely property rights, mortgage finance, building and urban development regulations, infrastructure and services, subsidies, building industry and institutional frameworks is discussed looking at the constraints and effects of these variables on the ability of beneficiaries to improve their housing conditions.

Chapter 6 presents conclusions and recommendations of the study and proposals for future research.

CHAPTER 2: LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Enabling Approach & housing improvements for low income people

2.0. Introduction

There is no single solution to the problem of providing housing for the poor. Most countries adopt a number of approaches in order to satisfy different submarkets depending very much on the country's level of income, rate of urbanisation and proportion of the poor. This section discusses the features of the enabling approach, which is, the recent theory and policy in housing and urban development regarding the provision and improvement of housing in the context of upgrading low income urban settlements. The chapter begins with outlining the history of the enabling approach from Habitat, the World Bank and Habit II. The following section gives reasons why enabling is important. Examples of enabling modalities will be given for, in particular, sites and services schemes and settlement upgrading. The last section will give a review of the literature on the critiques and different views on the approach.

2.1. Historical perspective of the enabling approach

Introduction

The conceptual and analytical framework for understanding the housing sector and responses to addressing low income urban settlements problems by governments and local authorities is embodied in the enabling strategy approach. In the past, upgrading low income urban settlements involved actual provision of housing by the state. The Norway World Bank Urban Environment and Poverty Initiative for Africa⁶ tracing trajectories of past responses to low income settlements state that in the 1960s the responses consisted of demolitions, rural development and public housing. From the 1970s onwards began a self help paradigm of sites and services and in-situ upgrading of low income unplanned areas.

Table 1 Shifts in the practice and understanding of Housing

1930s to 1970s	1970s to 1980	the 1990s
Government as provider	Government as initiator	Government as enabler
Housing as an input to national development	Housing as a basic need	Housing as local government affair
Housing as a product	Housing as a process	Housing without housing

Source: Acioly (2005)

Influential in the early shift from the conventional provider approach in the housing policy to the non conventional housing policies was a body of research carried out in the sixties and seventies by John Turner (1967, 1968, and 1976). Turner's ideas were later adopted by the World Bank with few alterations. Turner drew attention to the array of self help activities initiated and managed by the poor, and recommended that governments assume the role of helping the poor to help themselves, in other words, supporting them through services and infrastructure provision, making credit and cheap building material more widely available, thereby reducing state expenditure and helping to promote cohesive communities and individual well being (Fiori 2000). The strategy of leaving the responsibility of incremental construction to the household had as its main intentions the mimicking of the process of housing occurring in informal settlements, that is, using ones resources, skills, and personal motivations to provide shelter for ones own self.

⁶ www.citiesalliance.org

The actual trajectory of the enabling strategies can be traced back to three important years and events. These are firstly, The United Nations International Year of Shelter for the homeless 1987 Vancouver Canada, and *Global Shelter Strategy to the year 2000* in 1988; secondly, the Enabling Housing Market Policy document 1993 (World Bank), and, thirdly, the HABITAT II and the HABITAT AGENDA 1996 Istanbul.

1. The United Nations International Year of Shelter for the homeless conference held in Vancouver Canada in 1987 marked the beginning of the enabling approach as a shelter strategy. It was formalised the following year by the UNCHS (Habitat) in *the Global Shelter Strategy to the year 2000* in 1988. The enabling approach was one of the most fundamental policy changes of its time. The features of the enabling approach as originally conceived were:

1. The creation on the part of the public sector of incentives and facilitating measures for housing action to take place to a greater degree by other actors.
2. The full potential and resources of all actors in the shelter production and improvements were to be mobilised.
3. The implication of the strategy was that the people concerned would be given the opportunity to improve their housing conditions according to their needs and priorities that they themselves will define.
4. The requisite mobilisation of resources and application of entrepreneur skills for increased housing and infrastructure production by all establishing legislative , institutional and financial frameworks that will enable formal and informal business sectors, NGOs, and community groups to make optimal contributions to development.
5. Needed governments to become aware of the need to recognise and rely on a multiplicity of actors for the production and improvement of housing on the scale required to meet housing production targets.
6. It was premised on the principle that governments were to indicate their obligation to meet shelter needs by among others the creation of ministries, housing agencies, allocation of funds to the housing sector and the creation of housing policies, programs and projects.
7. Enabling as the Global Strategy for shelter was not a blue print, but an evolving framework for dynamic national, international and local action. Therefore actions needed to be monitored and evaluated continuously so that the strategy could be modified accordingly.
8. Emphasis was made for the need for consideration of financial support of specially disadvantaged groups who cannot participate in the general housing market without the intervention of the government.
9. In this regard governments were to study and develop special measures both indirectly and directly, by developing mortgage programmes suited to their circumstances and income patterns.
10. Finally, governments were to create a n appropriate environment for the mobilisation of funds, develop and reform financial institutions to promote and mobilise savings (GSS 2000)

2. The World Bank Policy Paper “Housing: Enabling markets to work”

This was the second international support for the enabling concept conceived in the 1987/88 in Vancouver. The World Bank’s approach shared and supported many characteristics of the enabling approach but was very important in drawing focus to enabling in the way

interventions were being organised in low income urban settlements upgrading in the world. According to the World Bank the enabling approach standard model included the following features. Firstly, it advocated that governments should move away from actual construction and production of houses but instead concentrate on (1) facilitating access to land, finances, and services, (2) remove restrictive regulations and procedures affecting the performance of the housing sector, (3) Introduce realistic and efficient regulations and (4) strengthen institutional framework that favours and encourage people's participation (World Bank 1993). A result of this approach was a wider acceptance by governments in the South of upgrading programs through providing legal tenure to low income households living in illegal settlements and less readiness to support large scale slum and squatter eviction programmes (Ndjuki 2001)

The World Bank model of enabling is also recognised for popularising the seven major enabling instruments that governments may use to enable housing delivery in the markets. These instruments address the demand side as well as the supply side of the markets and also improve on the management of the housing sector. On the demand side is the development of property rights, mortgage finance and rationalising of subsidies. On the supply side the enabling instruments are the provision of infrastructure and services, the way the land and development is regulated and the building construction industry is organised. Then create an institution to manage the housing sector.

Demand Side Instruments

- Developing property rights to ensure those rights to own and freely exchange housing are established by law and enforced and administering programmes of land and house registration and regularisation of insecure tenure.
- Developing mortgage finance by creating health and comparative mortgage lending institutions and foster innovative means for greater access by the poor people.
- Rationalise subsidies by ensuring that subsidy programmes are appropriate and of affordable scale (Experience has it that even if subsidies are there they usually go to the rich and knowledgeable unless the subsidies are transparent and targeted. This is because the rich have better opportunities, the knowledge and the time available to access the available subsidies being offered (Gilbert 2001))

Supply Side Instruments

- Provide infrastructure for residential land development through coordinating all agencies responsible for provision of residential infrastructure to focus on servicing existing and under developed urban land for efficient residential development.
- Regulating land and housing development through balancing the costs and benefits of regulations that influence urban land and housing markets especially land use and building.
- Organising the building industry by creating greater competition in the building industry, removing constraints to development, use of local building materials and reducing trade barriers that apply to housing inputs.

Managing Housing Sector Instrument

- Develop managing institutional framework to support and guide the housing sector. This framework should be strengthened to allow for oversight and manage the performance of the sector as a whole and bring together all major public agencies, private sector and representatives of non governmental organisations and community based organisations and ensuring that the policies and programmes benefit the poor and encourage their participation.

Low Income Household Housing Market.

The supply and demand of housing by low income household is a socio-economic function (Ndyuki 2001). *Factors that influence housing demand for low income includes:*

- Disposable income available to households and its distribution among populations, nature of employment, household priorities and the extent to which individuals want to own their own shelter.
- Availability of housing finance for different types of income groups,
- Age, household size and structure and occupation type are other factors that contribute to the demand (UNCHS & World Bank 1998: 208)

Factors that influence housing supply for low income households include:

- Prices and availability of land, skilled and unskilled labour, efficiency of the construction-supervising framework, costs involved in permits and building materials, infrastructure and services and land use and development. The extent to which informal housing and land development are tolerated also influence the supply (UNCHS 1998:208)

These instruments are indicated in the Dos and Don'ts in enabling markets to work a matrix which outlines what governments should do and should not do in the housing markets.

Table 2: The Do's and Don'ts in Enabling Markets to work

Instrument	Do	Don't
Developing property rights	<ul style="list-style-type: none"> ➤ Regularise land tenure ➤ Expand land regulations ➤ Establish property taxation 	<ul style="list-style-type: none"> ➤ Engage in mass eviction ➤ Institute costly titling system ➤ Nationalise land ➤ Discourage land transactions
Regulating land and housing development	<ul style="list-style-type: none"> ➤ Reduce regulatory complexity ➤ Assess costs of regulation ➤ Remove price distortions ➤ Remove artificial shortages 	<ul style="list-style-type: none"> ➤ Don't impose unaffordable standards ➤ Maintain unenforceable rules ➤ Design projects without link to regulatory institutional reform
Developing mortgage finance	<ul style="list-style-type: none"> ➤ Allow private sector to lend ➤ Lend at positive market rates ➤ Enforce foreclosure laws ➤ Ensure prudential regulation ➤ Introduce better loan instruments ➤ 	<ul style="list-style-type: none"> ➤ Don't allow interest rates subsidies ➤ Discriminate against rental housing investment ➤ Neglect resource mobilisations ➤ Allow high default rates
Rationalising subsidies	<ul style="list-style-type: none"> ➤ Make subsidies transparent ➤ Target subsidies to the poor ➤ Subsidise people and not houses ➤ Subject subsidies to 	<ul style="list-style-type: none"> ➤ Build subsidised housing ➤ Allow for hidden subsidies ➤ Let subsidies distort prices ➤ Use rent control as

	review	subsidies
Providing infrastructure	<ul style="list-style-type: none"> ➤ Coordinate land development ➤ Emphasise cost recovery ➤ Base provision on demand ➤ Improve slum infrastructure 	<ul style="list-style-type: none"> ➤ Allow bias against infrastructure investment ➤ Use environmental concern as reason for slum clearance
Organising the building industry	<ul style="list-style-type: none"> ➤ Eliminate monopoly practices ➤ Encourage small firm entry ➤ Reduce imports control ➤ Support building research 	<ul style="list-style-type: none"> ➤ Allow long permit delays ➤ Institute legal inhibiting competition ➤ Continue public monopolies
Developing a policy and institutional framework	<ul style="list-style-type: none"> ➤ Balance public /private sector roles ➤ Create forum for managing the housing sector ➤ Develop enabling strategies ➤ Monitor sector performance 	<ul style="list-style-type: none"> ➤ Engage in direct housing delivery ➤ Neglect local government role ➤ Retain financially unsustainable institutions

Source: World Bank policy paper, 1993: 46-47

3. Habitat II -1996- Istanbul- Habitat Agenda and the Istanbul Declaration

The third support for the enabling strategy was again given impetus during the second United Nations Conference on Human Settlements (Habitat II) in Istanbul. The conference is important for the two documents that were endorsed during the conference, the Istanbul declaration and the Habitat Agenda. The Habitat Agenda takes the enabling approach further and includes the following features:

- Enabling approach is taken as a key to implementing national and local plans of action.
- Enabling strategies, particularly where public resources are scarce, aim at strengthening the capacity of all partner groups so as to engage in local and community-based planning and development.
- The United Nations System can assist in furthering the principles of enablement and promoting the use of community-based development strategies by: Promoting the adoption of enabling legislation through consultative processes and policy analysis in such critical areas as the right to housing, access to land and finance, and local government autonomy; encouraging and assisting national and local governments in formulating more detailed guidelines and specifications for the development of local plans of action and local monitoring of human settlements trends and conditions; ensuring that guidelines for local plans are attentive to, and inclusive of the strategic objectives of partnership, enablement, participation and networking; assisting national capacity-building institutions to train local authorities, partners' groups, NGOs and CBOs in the use of community-based and participatory planning methods and approaches". (HABITAT AGENDA)
- Enablement and participation

- Forging partnerships at international, national and local levels to improve the living environment

The main differences between the World Bank and Habitat is that the latter emphasizes enabling approaches more as they relate to the socio-political and economic terms whereas the World Bank puts more emphasis on the physical aspects hence most of settlement upgrading projects are largely dealing with provision of infrastructure and services.

2.2. Successes and failures of enabling policies - UNHABITAT

Five lessons on the enabling approach were reported at the nineteenth session of UNHABITAT governing council. The main lessons learned from the enabling approaches were that neither urban development nor shelter strategies have been effective at reaching the poor. Where the approach has managed to do so, their positive impact has not been able to keep pace with rapid urbanisation. Where successes have occurred, they have often been based upon partnerships across levels. Aid agencies and development banks, for all their power and funds, have little capacity to reduce poverty unless they can find and support local partners to work through. Another lesson is that the poor must be organised to be effective. Local authorities are assuming enabling roles that requires development of new competencies in areas such as learning to enable and trust local communities. Capacity-building efforts must be designed to support local processes, but must be linked to follow up investment in physical infrastructure, policy and legislative reform, which contribute to urban poverty reduction. Countries have followed different paths in dealing with urban poverty. Specific national contexts must be recognised in the designing of policies and strategies. Lastly there is need to develop new mechanism to reach and support effectively the initiatives of the urban poor without undermining the legitimacy of national and local governments, who have important roles to play in the reduction of urban poverty. (Habitat 2002)

2.3. Why enabling is needed?

The enabling approach is the recent theory and policy in housing provision and improvement during upgrading of low income urban settlements. When it comes to housing development the enabling approach rely on the private efforts of the beneficiaries meaning that people should be willing to help themselves relying on own resources. This becomes a huge challenge for the poor people in urban settlements.

The approach is based on how people traditionally housed themselves (Swan 1983) and serves to improve on what people were doing in providing housing for ones self. This marks a departure from past policies where for instance, governments engaged in actual provision of houses. Instead of past policies of demolitions, the enabling theory says governments must reinforce the housing that poor people have organised for themselves at no direct cost to government agencies.

The other thing about this approach is that people have to invest in labour and material in the housing stock they produce themselves, reinforce housing strategies of the poor, reduce economic and administrative burdens of the housing agencies, mobilise resources of target groups, enabling rather than provide. In themselves (Swan 1983) projects that invoke enabling approach concepts are not comprehensive solutions by themselves but rather make a contribution to the larger planning strategies. The challenge is always there as to how to move a step further. For instance (Taskforce 2005)state that “many services that were traditionally treated as basic needs and therefore considered a direct responsibility of the state—basic nourishment, education, health, transportation, electricity, water, sanitation, and to a significant extent, housing—are now available in greater quantities than ever before but at prices that few of the very poor can afford. Nowhere is this shrinkage of public

responsibility more evident than in the field of housing, particularly in the places where the world's population is concentrating and growing at a remarkable pace”.

Enabling is needed because it was realised that despite efforts to provide housing by governments at national, local and international levels still more people find themselves without shelter or living in homes unfit for human habitation. Shelter problems are universal and a global concern. The fundamental observation of failure of conventional housing programs to meeting the household's housing needs⁷ was the driving force to beliefs that in any effort to provide housing to low income groups, the households should be totally responsible for housing production.

Government's role as a provider is limited because often governments lack the required resources. Hence, governments have realised that there are serious limitations to the quantity; acceptability and appropriateness of housing that they can produce directly even through specialised housing agencies. There is often scarcity of resources, institutional capacities inadequacies, and lack of legal and financial frameworks. Therefore government are now aware of the need to recognise and rely on a multiplicity of other actors for the production and improvement of housing on the scale required to meet housing production targets (GSS 2000).

On the other hand enabling is needed because there is value in the way people have organised housing for themselves (Åstrand 2002.). The people concerned are given the opportunity to improve their own housing conditions according to their own needs and priorities that they themselves define. Enabling allows for the mobilisation of the full potential and resources of other actors in shelter production and improvement. Incremental housing, which is made possible by the enabling approach, has had decisive advantages over conventional approaches. On the one hand, housing could be made affordable when household needs were matched by the household's financial possibilities. On the other hand, environments were adapted to individual characteristics, needs and requirements, making housing satisfactory for users.

2.4. How enabling works in sites and services housing schemes

At the project level, enabling ideas were firstly incorporated in the sites and services projects, depending upon the labour of project beneficiaries for the bulk of the house construction after state provision of basic infrastructure. Typically sites and services take place in green field or vacant land. Serviced land, that is, land with infrastructure and basic services is given to households sometimes with a starter house and they are left to improve the physical structure on their own. There is also tenure security and low design standards. When promoting the sites and services the World Bank insisted that they must be self financing, replicable and stressed the importance of cost recovery. The concept of sites and services is based on two assumptions (Åstrand 2002) Firstly, it is cheaper to build houses gradually and secondly, that the users will self build, that is, invest their own labour in the construction which is often referred to as “sweat equity” (Åstrand 2002)

2.5. How enabling works in low- income urban settlement upgrading schemes.

Sites and services were not very successful as a policy to address the poor living conditions of people living in low income settlements and soon upgrading of existing squatter settlements and illegal subdivision grew to be a more popular non conventional housing policy. This popularity was not only founded on its lower costs, but also on the political and social gains from avoiding evictions and allowing squatters to remain where they were (Fiori,

⁷ <http://www.mcgill.ca/mchg/student/evolution/chapter 2>

Riley & Ramirez 2000). The World Bank highly promoted this policy shift by including it in all its upgrading projects. Typically settlement upgrading consist of a package of services depending on the circumstances of the residents and the resources available in addition to the provision of services and infrastructure (i.e. generally consisting of clean water, sewerage, street lighting, improvements in streets & foot paths, and solid waste collection and delegate the responsibility of construction to the users). Some projects would however include the building of some new housing units, provision of construction materials, credit, tenure, legalisation and perhaps some sites and services plots for those residents needing to be resettled. Normally however, instead of fully built house produced by the state governments focus its efforts and its limited resources on the provision of land and infrastructure. That is why the dividing line between in-situ upgrading and sites and services schemes is very thin.

2.6. Neoclassical view of the enabling approach

Enablement stemmed from the Neoclassical economic analysis which states that demand in housing is affected by tenure security, property rights, housing subsidy, taxes and availability of mortgage finance (World Bank 1993). It promotes the idea of a free unconstrained market as the dominant policy agenda. It also promoted ideas of efficiency (making the best use of resources to maximise outputs), productivity, privatisation and public private partnerships in development. This assumed the withdrawal of the state in housing provision. (Messer 1995) argues that there is nothing like free and unconstrained market and therefore the market cannot be entirely trusted as it is not always ready to serve the interests of all income categories. In practice the state must still retain some powers to address market failures. Most housing policy issues involve the government. Issues like land, laws and regulations, taxes, property rights all require government action. Government's role in housing provision was therefore to provide the enabling environment through instruments both on the supply and demand side of the housing market. Another way of conceptualising enabling was to look at it in terms of supply, demand and institutional instruments (Acioly 2004). On the demand side enabling instruments include property rights, finance and subsidies. On the supply side are featured infrastructure, development regulations, and building industry. This means exercising a facilitator role on the issues pertaining to access to land, finance, infrastructure and services, removing restrictive regulations and procedures affecting the performance of the housing sector, introducing realistic and efficient regulations concerning building activities and land use and strengthening an institutional framework that favours people's participation.

One of the early critiques of the enabling markets to work strategy was Stephen Mayo (1994) in his article "The do's and don'ts of housing policy". He argued that housing markets are influenced by economic and social factors as well. Government policy can go part of the way towards satisfying the normative goals of a well functioning housing sector, but they do not always do so in an effective way. As a result the poor may be barred from entry into the formal housing market and may be forced to construct housing that fail to meet basic safety standards. He concludes that housing demand may languish because there may be no system for long term sources of housing finance. Market failure seen from both the supply and demand side creates a legitimate need, or even an obligation for government to still continue to intervene. Enabling means according to (Mayo 1994) eliminating or mitigating market failure effects in the housing sector. Mayo's conceptualisation of the concept like the others emphasis enablement during the pre occupancy phases of housing and neglects the occupancy phase. The fact is, the market still operates in that phase and as such mitigation is also required during housing improvements as well. During upgrading the assumption is always that once the infrastructure and services are there nothing more is needed people will then sort things out on their own. In all his "do's and don'ts in low income settlements upgrading"

Mayo also fails to mention what should be done and not done after upgrading has been concluded. That is why Acioly (2005) describes the housing dilemma of the nineties as the disappearance of housing calling it "Housing without houses". In this scenario what becomes visible are the infrastructure and services (electricity, sewage, water, urban and environmental management, employment generation and incremental land development.).

2.7. Enabling and non enabling agendas of actors

One of the glorifiers of the enabling approach is Angel. According to Angel, enabling is defined as "setting boundaries and giving support while relinquishing control". In terms of this definition, three things are clear: (1) setting of boundaries, (2) the giving of support and (3) relinquishing of control over the market. He continues to state that enabling in this sense is enabling markets to work and protecting them from failure particularly since in housing, markets do fail. The social argument is that markets "fail to meet the primary social objective of ensuring a decent home for every family at a price within their means". Putting forth an argument for need for continued government intervention in the market, Angel says markets left to ones self will not necessarily insure that everyone is housed at a level acceptable to society as a whole. One's bad housing affects another's well being, either by being a threat to health and safety, by being a fire hazard, or by being an eye sore- effects that economists call "externalities". The conclusion by Angel is that, left to them, housing consumers in unregulated housing markets can therefore impose unacceptable risk on others, risk against which everyone must be protected.

On the other hand, Angel declares "housing in enabling policy environment is, on the whole, significantly better and less expensive, despite minor differences in levels of new production and significantly lower levels of subsidies. Enabling housing policies, logical and sensible as they may be in and of themselves, also result in more favourable housing outcomes" (Angel 2000). However, Angel does not go without critical analysis of the concept. He argues for instance, that housing is not a discrete entity, (meaning that housing production is part of the construction sector), housing investment is part of the overall capital formation, and residential development is a part of urban development. These are no doubt large parts but they are still parts of the still larger whole, each with its own bundle of policies. He cautions that to carve a policy we must satisfy ourselves with examining the policy environment of the housing sector in pursuit of the policies that matter to dwellers, builders, lenders, and government agencies concerned with housing. We must guard against policies with non-housing agendas. Housing policies are often championed in pursuit of non-housing agendas. For the actors in the housing arena, a well functioning housing sector is, first and foremost, one that meets housing needs in an efficient, equitable and sustainable manner, while freeing resources and energies to meet a host of other important needs. He agrees that housing policy could be used to achieve other needs, transcending the basic needs for shelter, but cautions that we must bear in mind that it is never absolutely necessary that housing policy be used to further other agendas.

2.8. Role of the actors, needs and interests in the housing markets

Normally to realise housing a number of actors get involved. These are the municipality, the central government, the residents and tenants, financial institutions, developers and construction actors, cadastre agencies, notaries and NGO's. Each of these has certain roles and is motivated by different factors to participate in housing. For instance, the role of the municipality is to maintain the infrastructure and collect the property tax, financial institutions lend the money, cadastre agencies participate in registration of the properties and residents either use a variety of means to improve their housing situation including borrowing from the banks. Although these actors are quite active during the pre occupancy stage of the

building process very few take an active role during the occupancy stage where housing improvement takes place.

By making the housing sector function well, the enabling strategies serve the interests of all parties. Here interests may be equated to housing needs. Each of the actors, government, local government, consumers, and financiers has their own interest. Angel (2000) defines a well functioning housing sector as one that meets housing needs in an efficient, equitable and sustainable manner while freeing resources and energies to meet a host of other important needs. From this perspective he points out that in order to understand the housing sector we must satisfy ourselves with examining the policy environment of the housing sector in pursuit of policies that matter to dwellers, builders, lenders and government agencies concerned with housing. From this definition, it is clear that it is extremely difficult to get a model of a well functioning housing sector because of the emphasis on housing needs of the various stakeholders in the housing sector. Housing needs and desired housing outcomes differ considerably among the stakeholders. From the dwellers point of view, housing needs may be the actual home; whereas the housing needs for local government could be the provision of infrastructure, land availability and regulated building developments; whereas for lenders, it could be the question of more mortgage loans.

The World Bank (1993) agrees with Angel's view that to understand how the housing sector works one must look at it from a number of perspectives, the five most important being: the housing consumers, the housing producers, housing finance institutions, local governments and central governments. Sadly, however, still the needs and interests of the other actors are normally considered up to the level of pre-occupancy, but neglected during the occupancy stage in housing. The point remains that poor people living in upgraded settlements have their interests and needs extending beyond project implementation to the unforeseen future.

2.9. Settlement upgrading or regularization

Different people give different names to settlement upgrading. Some refer to it as 'regularisation', such as Mercado (1996) and Smoika (2004), and accordingly different approaches are suggested to dealing with spontaneous settlements. According to the language of these two, an upgraded settlement could as well be referred to as a regularised settlement. Three ways to address problems arising from the formation of spontaneous settlements are suggested by Mercado (1996). These are: anticipation of the formation of the settlement, continue regularising the process in existing settlements and resettlement. In describing regularisation they state that it is a long process of restructuring with judicial, physical, administrative and social components. The goal of upgrading is to ensure permanent settlement of the residents with improved living and environmental conditions.

The expression "regularisation" is used to mean legalisation, together with any necessary physical restructuring of land use. Landaeta (2004) states that "the underlying view of concepts related to housing by the people is that they are the wrong way of doing things in housing. For instance, in other circles, it is considered irregular". She then points out that "regularisation is an important concept in the context of urbanisation process. Current regularisation proposals focus significantly on statutory property rights and titling. Statements of regularisation mean that legal security in tenure will enable people to obtain further improvements in housing". Smoika (2004) notes that, in general, regularisation programs have not led to promised urban, social and cultural integration of upgraded areas, and the informal areas remain stigmatised as second rate long after they have been upgraded. The idea that upgraded areas are placed in a new and virtuous trajectory rarely survives beyond the original documents setting the justification for the project. One of the reasons is conflicts and failure to balance the individual freedoms and public functions of the municipality, for instance. Smoika argues that, frequently, legal solutions in upgraded areas embed restrictions

intended to freeze the mobility process of people within the areas thereby affecting terms of sale, acquisition, rent and so forth, which helps to generate more informality. As in most upgrading programs, the lack of sufficient finances would suggest that beneficiaries should not be able to cash in on their benefits and move on to a new informal occupation, to be similarly regularised in the future. While recognising that the monitoring and controlling of such practices may be too high, if not unfeasible, Smoika argues that restrictions on transactions would simply generate new kinds of informal arrangements. Upgrading programs should accommodate or adjust to the potential upward and downward mobility of affected people. Often programs are formulated with a static community in mind. In other words people should be able in their newly upgraded stage to exercise individual freedoms of selling their lots if they wish to and move elsewhere, thus cashing in on their benefits. Programs should be set to cater for a non static community, a community which is both affected by downward, upward and intra urban mobility among informal settlements and between formal and informal areas. One of the fundamental human rights which should be part of any upgrading program is to be able to exercise choice freely. People of informal areas also have legitimate rights to the city, as well. But, Smoika warns that urbanistic norms and regulations must not be made too flexible without proper support. Smoika is right, because if the regulations are too flexible then what can result is the “chaotic development syndrome” mentioned by Astrand.

The enabling approach uses guided tolerance of informality principle (Smoika 2004). Enabling advocates recognising the value of how people in their informal situations used to organise their housing situations and therefore tolerate such informal processes as a way to improve their housing situations. Some writers, for example Smoika (2004), are against tolerance of the informality concept used in the enabling approaches. Smoika warns that we should be careful because tolerance has the tendency to generate rights over time. Official tolerance also implies the acceptance of “second class solutions” for “second class citizens” and often results in early deterioration of upgraded areas. Smoika maintains that the combination of poor quality materials and low cost, unconventional techniques used in upgraded areas puts greater pressure on the existing infrastructure because increased densification renders the infrastructure obsolete and incurs high maintenance costs.

The generally held view is that legalisation stimulates people in low income settlements to invest in the improvement of their housing situations (World Bank 1993). Titling is important for two reasons: the personal interest of occupiers (security of tenure, protection against forced eviction, domestic conflicts, marital separation, inheritance, problems with neighbours, access to an address and to forms of credits), and the interest of the city as a whole, since legal titling can contribute to the stabilisation of land markets and allow for more rational and better articulated forms of public intervention. The paradox is that as Smoika (2004) notes, “in the majority of regularisation programs the greater emphasis on upgrading has been disassociated from housing improvement and socio economic programs aimed at integrating communities, as well as from specific policies to legalise areas and plots.” This often results in the low profile given to housing improvements in the upgrading schemes. The components of upgrading and legalisation have been conceived as if they were separate processes, or, frequently, as if legalisation were an automatic result of the upgrading processes. Most upgrading programs seem to fall short of what is required for land occupation to be legal in the first place. Despite the publicity given to regularisation programs, the number of titles that actually result in a document issued by the property registration offices have been disappointingly low (Smoika 2004). The most critical bottlenecks that the people have had to contend with are the various complexities imposed by law, and the resistance and conservative attitudes of notaries and registration offices. The

process is too complex, cumbersome and costly with high legal overtones. According to Smoika, most families, once they receive a title recognising their legitimate right to their property, simply do not bother to complete the registration process. This situation has led to an outcry for the simplification of the titling and registration systems and an associated need to disempowering the existing bureaucratic entities. Given these problems many analysts believe that titles are not important, but that the mere perception of security of tenure would suffice (Smoika 2004). Landateta (2004) agrees with this view and points out further that not in all cases, or in all circumstances, the people are interested in titling procedures for a variety of reasons. Two such reasons are the feeling of ownership that they already have and the fear of higher taxes. On the question of property rights, however, Landateta (2004) points out that critical views suggest that it has been difficult to demonstrate that individual property rights alone:

- 1 encourage investments in housing construction and improvements
- 2 improve access to formal channels of credit
- 3 increase property tax revenue base of local authority
- 4 enable urban development authorities to increase influence over land and housing markets

2.10. Markets, participation and partnerships

Fiori, J., Riley, L., & Ramirez, R (2000) point out that the problem with enabling housing market to work is that it brought housing in developing countries into closer relationship with macro economic policy and development policy, and in due course with a widening of social agenda in housing. When the economy, which operates in market terms, was doing badly there was no hope for the housing agenda to be pursued. This gave the impression that the state had lost its role in intervening during market failures. It seemed at this stage that the deliberate compromise of the role of the state was often paradoxical and contradictory. Fiori *et al* point out that the ideology of the minimum state has become increasingly exposed as contradictory and even criticised by some of its more enthusiastic proponents. Thus there has been a growing realisation that under the enabling approach, even when purely emphasizing the enabling of the market, the role of the state does not diminish but instead becomes more sophisticated and strategic. Fiori *et al* note that the first focus of the enabling approach was the market. Beyond that, the focus shifted from the market to the issue of democratisation of the state and the empowering of civil society. However, the implementation of the new generation of housing policy such as the enabling policy is still hesitant and limited because of the complexity they pose. While most of the ingredients of these policies are not new, their meanings have changed: multisectoriality; action at the scale of the city; and its social needs; participation and new partnerships; a return to the project level etc. What is new, he argues, is their combination and emphasis on the search for a virtuous circle of synergistic relation that continually potentialises and requalifies each of the dimensions of the policy. It is the way in which those components interact that condition the quality and extent of the policy response and impacts. I also agree with Fiori's analysis particularly when dealing with poor communities the synergistic arrangements may be understood at the official level but leave the beneficiaries in a confused state.

2.11. Role of NGOs in enabling

According to the GSS 2000 and writings by Fiori, Ramirez and Riley (2000) the enabling approach also recognised the potential contribution of the private sector, non governmental organisation (NGOs) and community based organisations (CBOs) but focused more on social issues and called for the promotion of participatory decision making. Many countries, however, adopted some shelter strategies that were in the end not implemented due to lack of

human and financial resources. Given the limited role for government under the enabling approach, housing issues slowly disappeared from many national strategies and from the international development agenda (Habitat 2002).

Examples from three countries offer evidence for the positive roles NGOs can play in stimulating housing improvement in low income settlements. The Urban and Rural Social Foundation (FUNDEVI) in Honduras is a public foundation that provides financial and technical assistance to low income families that work in the informal and formal sectors. Every year more than 5,500 families improve their homes or build new housing units with resources channelled through FUNDEVI by international agencies, such as Kreditanstalt Für Weideraufbau (KfW), Sida, the Inter American Development Bank, the European Union, and national state subsidies. Also, the Integrated Social Action Foundation (FUSAI) in El Salvador is an NGO that helps an average of 5 000 low income families a year, both technically and financially, to improve their housing conditions and develop new settlements. It mobilises state subsidies and resources from international donor agencies. Lastly, the Local Development Programme (PRODEL) in Nicaragua has helped improve the housing conditions of more than 12 000 families through innovative micro lending schemes that average about \$800 per family. PRODEL works very closely with local governments and non conventional financial intermediaries. (Task Force 2005). Through self assisted methods, these three NGOs have influenced policy changes at local levels. They have demonstrated that existing building regulations, standards and norms can and should be flexible with respect to the incremental process through which poor urban families and their communities build their homes. National and local government institutions now consider such participatory methods and housing solutions as part of their formal response to housing challenges. Investment costs are covered through a mixture of state subsidies managed by the programmes and communities, loans to participant families, and savings and self help resources contributed by beneficiary families. The state provides an average upfront direct subsidy to the family of about 60% of the total costs of the housing solution. A loan covering about 30% of the total costs is given to the family. The remaining 10% is provided by the family as monetary, labour, and in kind contributions. Seed funds for the housing loans are provided by bilateral donor agencies, such as Sida, and KfW. FUSAI has also been able to leverage resources from the private sector.

2.12. Enablement and urban development:

The view behind urban development concept is the understanding that the city is a complex thing, and not easy to manage. However, the city's physical aspects were seen as less important compared to the economic, sociological and infrastructural questions (Landaeta 2004). Summarising the conditions that led to the enabling approach, Landaeta points out that the question to ask people in low income areas is really not where they live but rather how they survive and from where they get their income. Attempts to adapt housing to address the housing needs of the low income resulted in proposals that included such things as self help, mutual aid, sites and services, progressive housing, basic modules, the provision of local building material, etc. Landaeta (2004) writes that in the newly established facilitator role of the government, the prevailing idea was that regulatory systems should not prevent the proper functioning of the private market, including the housing sector.

2.13. Requirements and potential of enabling in developing countries

According to the GSS 2000, developing countries face a combination of challenges such as unprecedented urbanisation, an unfavourable international economy, stagnation in per capita gross national product (GNP), runaway inflation, phenomenal population increases, spiralling unemployment, severe financial constraints, and very high levels of external debts having a

devastating impact on development programmes and strategies. A particular problem of the developing countries is posed by the large number of homeless and of those living in extremely poor shelter and unhealthy neighbourhoods, whether in urban slums and squatter areas or in poor rural households. Often developing countries depend on donor funds and lack the resources to afford giving housing subsidies to needy poor families. The application of the enabling approach does not often need the use of governmental resources and has the potential to be used in low income populations. However, governments still need to demonstrate their obligation to provision of shelter need by the creation of appropriate housing ministries, housing agencies, legal and housing policies to support the shelter initiatives in the nations.

Swaziland's national context of enabling

There is a Ministry of Housing and Urban Development (MOHUD), a housing agency the Swaziland National Housing Board (SNHB), the Swaziland National Housing Policy (SNHP) which gives enabling guidelines which are now used in the running of project like the Urban Development Project whose principles are purely based on the enabling approach.

2.14. The concept of Incremental Housing Improvement

The building process of people is distinguished by a series of increments done over a substantial period of time. "Continuously changing, evolving process marked by successive stages of completion-in that sense the informal house is never finished while-paradoxically- it is always complete in each of its many stages (Dlubosch (1987) in (Åstrand 2002.). In the progressive approach to housing, different growth stages can show options and directions for future developments of the core, in core housing for sites and service schemes. In the Swaziland's UDP the concept is through the use of pre approved plans with already possible growth options. Other terms used for this type of housing process include terms like evolutionary housing, incremental development, staged housing, and self generating housing. Growth in staged housing could be either growth by combination, growth by subdivision, or growth by sequential completion and addition. This demonstrates the fact that the role of users in housing production is dynamic.⁸

Housing improvement does not necessarily mean inventing or constructing a new house (Liuke 1994). It falls in the domain of housing operation and maintenance. Housing improvements involve efforts aimed at maintaining, repairing, extending and or improving of one's house, often incrementally, and people have to invest in labour and material in the housing stock they produce themselves (Johansson 1990). A housing improvement program refers to efforts to assist residents in their efforts to maintain and improve their housing situation. The assistance varies from helping residences, through city processes such as relaxed building and development regulations, or making available outside programs like upgrading, low interest loans, and or technical assistance on construction projects and house repairs. The main principle behind basic housing is progressive development. This is the idea that shelter and services can be initially provided in the simplest and least expensive way. The housing package can then be gradually improved upon in stages, using combined resources of the people, community, government and other institutions. In the process, the shelter and services that evolve are in response to the basic needs of the people and their inherent capability to achieve those needs. [Laquian (1983) in Carlos (1992)]

⁸ (<http://web.mit.edu/urbanupgrading/upgrading/resources/bibliography/Physical-issues.html#Anchor-Incremental-36803>)

2.14.1. Factors that influence Incremental growth and improvement of houses

The building activities of people have been studied as early as the 1960's. Turner and Margin (1998) for instance recognised that changes in household composition and size, as well as social and economic status are important factors which influence the incremental growth and improvements of people's houses. On the other hand Tipple (1991) in (Åstrand 2002.), lists the following factors contributing to alteration and extension activities in state built houses: lack of suitable alternative dwellings, ownership of dwellings, stability of dwelling, sufficiency of income to pay for the work, available technology, cooperative local authority, available space around the building and opportunities to sell the dwelling if necessary.

2.14.2. Factors hampering housing improvements

1. Building regulations and standards

It is understood that in regulating the building of houses, the local authority undertake certain administrative functions such as plan approval, connection of services (such as water, and electricity) and building inspection to ensure health and safety of the occupants. However building regulations and the standards applied in upgrading projects are not affordable to the majority of low income households. There is ample evidence from different developing countries showing that the building bye- laws are an obstacle in housing improvements. Seeing these limitations the Mbabane City Council modified and minimised its building standards in 1999 so that they would be in line with the means of low income people benefiting in the UDP. The Grade II building regulations allowed mud blocks, incremental building, and creosoted poles for the construction of houses (Building Grade II Regulations 1999)

2. Access to credit

The basic assumption in settlement upgrading is that once people receive security of tenure, they can use their secure land for collateral purposes in the financial institutions. However, this does not seem to apply in poor household circumstances. The problem is two-sided coin: poor households lack information about financial benefits they can get from the financial institutions through using their land titles or leases. On the other side, financial institutions do not make lending accessible to low income groups.

It is further argued that, in some projects, communities are given special credit for the purchase of building materials and labour. However, low income families usually have no desire to accept long term commitments to their limited often unassured incomes. Experience in formal credit cooperatives suggests they prefer small, short term loans geared towards immediate goals such as adding a room or making a permanent roof. Short term loans are expensive because they have high interest rates (Mbonane 1999)

Research findings show that housing improvements are mostly financed by individual resources. In a case study from Lusaka, 86% to 94% house construction and improvement were drawn mainly from household incomes. 8% had obtained loans from employers. None had been able to borrow money from relatives and few had received gifts. Only a minority 45 of participants had been able to use a bank, post office or rotating credit association savings for the purpose of housing investments (Rakodi 1987). Apparently, access to credit became a determinant factor for housing improvement to take place.

3. Affordability

The issue of affordability is crucial in and is one obstacle in upgrading schemes. The process of upgrading has tried to reach the poorest communities but has failed to cater for every household. Rakodi argues that the inability to afford monthly repayments resulting from

participation in an upgrading project is one reason for displacement of existing households by higher income residents. In Bombay, for example 75% of the houses were resold as low income households faced high monthly costs, particularly for property taxes, water and electricity (Urban Foundation, 1991)

In many developing countries wages do not always keep up with the demands of living standards. This has a lowering effect on housing improvement in that families prioritise basic needs such as food and clothing, which are themselves expensive, and are left with no money to improve housing. (Ward 1982) argues that the cost of food in Zambia increased faster than incomes. Hence residents found it increasingly difficult to spare any money at all for housing.

2.15. International experience on success factors in housing improvements in developing countries

Astrand and Johansson (1990) in their appraisal of eleven successful housing projects in the developing countries suggest a number of success factors in housing improvements namely;

- It is important to stimulate people's ability to work in a group in order to achieve improvement with limited available resources (Brazil case).
- The family's own ability (ability to improve its own situation) is the most important resource (Burkina Faso case).
- Help from NGOs with external funding (Chile case).
- Families to join together into at least ten families make it easier for NGOs to help (Chile case).
- Advisory board made up of professionals to coach people on how to access loans (helping with loan applications (Chile case).
- Availability of small loans (Chile case).
- Giving instructions on do it yourself building (Chile case).
- Construction of a central building that serves as a warehouse allowing the low price bulk purchase of building material, which are then resold on credit to the families (Chile case)
- Many families transformed their front rooms into small shops and artisan workshops.
- Through their own organisational ability the people with support from the municipality, have struggled to attain basic rights and access to services that fulfil their basic needs (Honduras case).
- Harnessing the assistance from the local authority, technical assistance from abroad (Mayotte Islands case).
- The use of local material, simple methods of construction combined with controlled self help building (Mayotte Island's case).
- Start up support for improvements from international donor agency (Mexico case)
- Technical assistance provided by the municipality on design issues. (Mexico case)
- Legislation to allow people to carry out improvements on their own (Papua New Guinea case).
- Allocation of land, installation of minimum infrastructure, loans for buying building materials and revisions of different plans and loans that were found to be hampering (Papua New Guinea case).
- Improvement programs financed by government funds (Papua New Guinea case)

However in the case of the poor people of Papua New Guinea the majority of the people could not afford even the highly subsidised loans. Astrand's analysis also introduces three useful concepts which are complementary to the enabling approach to housing provision. These are individual self help, help to self help and organised self help concepts. In "Help to

self help” seed capital assistance is given to start up improvement activities. Individual self help means personal efforts of individuals to carry out improvements on their own and lastly by organised self help is meant that there is an organisation that both assists the households that have chosen self help housing and that bears a responsibility to authorities and financial agencies (Astrand 1996)

2.16. Community participation in housing improvements as an important feature in the urbanisation process

The level and quality of people’s involvement in a development program can present important quality variations from case to case. The conventional innovation according to the enabling paradigm is that grass root claims are now considered proper and even a requisite for the achievement of better outcomes of development. Since Habitat II 1996, low income housing projects have to include community participation as best practice. However Landaeta concludes that social participation in housing improvements is restricted to home owners. The non owners are disinterested in participation. They are not engaged in the search for solutions for problems that demand everybody’s contribution.

When it comes to housing improvements therefore the people concerned are being called to be actively involved in the process. Social participation therefore emerges as the key concept. Whenever people were locally involved, and actively participating in projects much more was achieved with much less, even in sheer financial terms (Rahnema1996:117 in Landaeta 2004). The low income housing question is closely connected to the urbanisation process. Starting by contributions made by Turner and Fitcher (1972) the results of people’s own inputs in housing was depicted as a point of contention among those dealing with low income housing. It became one of the most identifiable features of the urbanisation process (Landaeta, 2004)

2.17. Emilio Pradilla and Rod Burgess Marxist approach to Housing

The basic premise of this school of thought as promoted by Emilio Pradilla and Rod Burgess Marxist is that self help housing contributes to the commoditisation of housing as a result it impedes the access of the poor to housing (Burgess 1985). Burgess argues that land rights to the poor communities are transferred through money payments and land is specifically developed for the purposes of exchange. According to Burgess the real beneficiaries in self help housing are the land owners who sell their land at market prices. Legalisation of tenure channels capitalist’s interests in that it opens new markets or business ventures for the building industry. Burgess goes on further to say the right to possess land becomes an economic burden to the poor households. By virtue of possessing land, each household is bound to pay land tax to the Municipality. In some cases this results in some poor household having to sell their lots (Burgess 1987)

His main point is that in a capitalist world, housing improvement is determined by money. People may wish to develop and improve their houses to satisfy their family needs but they may be restricted by financial resources. Being able to improve and maintain a house and to afford costly building material requires a well paying job (Burgess 1987)

CHAPTER 3 JUSTIFICATION OF METHODS

3.1. Introduction

This chapter describes the methodology applied in this research. It first starts with reminder about the questions being asked in the study. The objectives, relevance, validity and importance of each method are discussed as well as how it fits into the underlying study, the body of existing knowledge and the conceptual framework of this study.

The method applied in this research is the case study based on primary and secondary data. It is qualitative and exploratory in nature. The process is followed in the collection of data was as follows: literature search in the libraries in Lund, Sweden, Rotterdam, Holland and Mbabane, Swaziland which culminated in the research proposal, fieldwork preparation, fieldwork in Swaziland for the collection of primary data through interviewing residents in Msunduza who are beneficiaries, interviewing of actors and key stakeholders in the Urban Development Project, examination of secondary data from the Municipal Council of Mbabane, the ministry, Swaziland National Housing Board and the Project Coordination Unit of the Ministry for Housing and Urban Development, recording of physical data, taking pictures and conducting a walk through analysis of the area with a team of key persons from the community, analysis of the data in Sweden and finally presentation of the research through writing the thesis.

3.1.1. The Questions

As a reminder, the core question of this study is: ***Why do beneficiaries find it difficult undertaking individual housing improvements in the upgraded Msunduza low income urban settlement?***

Subsidiary Question

In order to narrow the scope of this interrogation to the case study, the following secondary questions were raised:

- *What are the obstacles that beneficiaries are facing hindering them from undertaking housing improvements?*
- *What is the nature of the enabling strategies in Msunduza regarding its role as stimulator of housing improvement? Are the enabling strategies effective in benefiting the poor? Which aspects of the enabling strategies serve as hindrance to housing improvement?*

In order to determine the kind of housing occurring and possible financial mechanisms for housing improvements this study asks:

- *What are the general housing conditions in the area?*
- *Are there any housing improvements occurring in the project areas and if so what is the nature of improvements*
- *Which mechanisms are used to finance the housing improvements?*

Finally, to determine the solution to the problem, the study asks:

- *What sort of enabling environment has the potential to support and provide basis for housing improvement to take place in the upgraded area?*

3.2. The Case Study Method

The case study is a method of holistic analysis applied to complex situations. According to Yin (1994), for the case study this is when the “how” and “why” questions are asked about contemporary phenomena, over which the researcher has little or no control. It involves in-depth study of a phenomenon in a natural setting, drawing on a multitude of perspectives. These perspectives may come from multiple data collection methods or derive from multiple

accounts of different actors in the setting. Case study phenomena may concern individuals, programmes, organisations, projects, groups of people or decision making processes. Case studies have the advantage of building up very detailed in-depth understanding of complex real- life interactions and processes. It pays particular attention to context and setting. Among the purposes of the technique is exploration that is putting forward hypotheses for future investigation and identifying the various points of view of the stakeholders.

The case here is housing improvements after completion of package 13 of the Urban Development Project in Msunduzi Swaziland. This is a typical slum upgrading project that has just been completed where undertaking housing improvements should now be occurring. The case study method combines quantitative and qualitative methods. The investigation of complex relationships which are known to be influenced by social factors requires a broader perspective, combining quantitative and qualitative methods, (Baum 1995). This can be achieved to some degree by: avoiding relating aggregate data to individual cases, and using qualitative methods to explain some of the processes. The most valuable study of housing improvements is likely to be that which collects both individual and area level data and includes subjective and objective health measures– with health interpreted broadly enough to encompass wider social impacts of housing interventions.

3.2.1. Qualitative Research

The term qualitative indicates that this approach or methodology concentrates on understanding and interpreting the meanings and intentions that underlie the everyday qualities of human action. Qualitative research methods were developed in the social sciences to enable researchers to study social and cultural phenomena. Examples of qualitative methods are action research, case study research and ethnography. Qualitative data sources include observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher’s impressions and reactions.

Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live. When textual data is quantified there is the danger of losing the social and institutional context within which the participant’s point of view is being expressed. The qualitative approach is particularly suitable when the research is exploratory in nature.

3.2.1.1. Literature Search

Literature search helps to generate and refine research ideas culminating in the research question and objectives. It also helps to uncover the current state of knowledge in the subject area being studied, its limitations and how the present research fits in this wider context. The literature search culminated in the research proposal and the conceptual framework for the study.

3.2.1.2. Field Work Preparation

Fieldwork preparation involved concluding the thesis proposal and drawing up the fieldwork daily plan for the 26 days in Swaziland as well as the drawing of the interview guidelines and selection of interviewees and making the necessary appointments. Working on a plan for the field work is important in order to avoid wasting valuable time.

3.2.1.3. The interview guide

Two separate interview guides were prepared and they appear as annexure to this report. One interview guide was meant for the UDP beneficiaries and the other with the same and further more topics was meant for the key stakeholders such as the Municipality, The PCU, SNHB, Leadership and Banks. The guide provided a frame of reference for the line of questioning. It consisted of, among others, the following topics which served as the checklist to enable to

check if all the essential questions of the case elements have been dealt with such as, the notion of incremental housing, legislation, financial matters, social participation, capacity building, social stigma, roles of stakeholders and the first and last question. The first one pertaining specifically to why housing improvement is not taking place and the last pertaining to opinions on what is thought it should be done to stimulate housing improvements. Several interview guides were printed so that each person interviewed would be allocated a personal interview guide paper, which both served as my field notebook as well as an indication of the interviewee category in the study. The personalised interview guide also served the purpose of making it easy for me to analyse and indicate when target had been reached or not.

3.2.1.4. Individual (Stakeholder) Interviews

The interview technique is used to gather qualitative information and opinions of those persons affected by a particular programme or project, its context, implementation, results and impacts. Several forms of interview can be distinguished, each of which fulfils a different purpose: the informal conversation interview; the semi structured, guide based interview, and the structured interview (the most rigid approach). The interview is used in an exploratory context, in other words, when one does not have prior hypotheses or adequate knowledge on a project or a target public to make a questionnaire survey possible. This study followed a semi structured and guided based interview.

3.2.1.5. Selection of interviewees

Beneficiaries

Beneficiaries are persons or organisations directly affected by the intervention whether intended or unintended. Beneficiaries receive support, services and information, and use facilities created with the support of the intervention. Some people may be beneficiaries without necessarily belonging to the group targeted by the intervention.

In Msunduzu people referred to as beneficiaries and allocated plots are:

- 1 residents/owners
- 2 residents/owner's male children above 18 years
- 3 Renters who have been renting same premises over ten years

Because of time factor the following arbitrary number of the above category of beneficiaries were interviewed: Those most active in community affairs were selected for interviews. These were pointed out by project outreach facilitators (POFs) and the rest were arbitrarily chosen. Before commencement of each interview an assessment was always made in order to give the correct category for the interviewee.

Sample:

A sample of 35 beneficiary residents was selected for the interviews comprising of:

- 1 20 residents/owners (10 male residents, 10 female residents)
- 2 10 residents /owner's male children above 18 years
- 3 5 renters who have been renting same premises over ten years

The size of the sample (35) was a function of the limited time available for the study (1 month). Although beneficiaries interviewed came from the five sub areas of Msunduzu (Mntulwini, Maqobolwane, Mcozini, Mncitsini, and Gobholo) the sample did not attempt to be representative of the whole of Msunduzu. That is why for a broader picture of the situation the 3 hours walk through the community was undertaken.

Non Beneficiaries

The opinion of those staying in the area but not benefiting in the UDP was also thought to be important. One reason why they were picked is that housing improvements can result in rent increases, which in turn can actually make people's health worse. From this group only 7 were interviewed.

3.2.1.6. Key stakeholders

The term stakeholder refers to individuals, groups or organisations with an interest in the evaluated intervention or in the evaluation itself, particularly: authorities who decided on and financed the intervention, managers, operators, and spokespersons of the publics concerned. These immediate or key stakeholders have interests which should be taken into account in an evaluation. They may also have purely private or special interests which are not legitimately part of the evaluation. The notion of stakeholders can however be extended much more widely. In this study the key stakeholders are persons who occupy key positions in the government and implementing agencies, community leadership and banks. These were key professionals who are currently and directly involved and have taken part in the management and organization of the UDP for a long time.

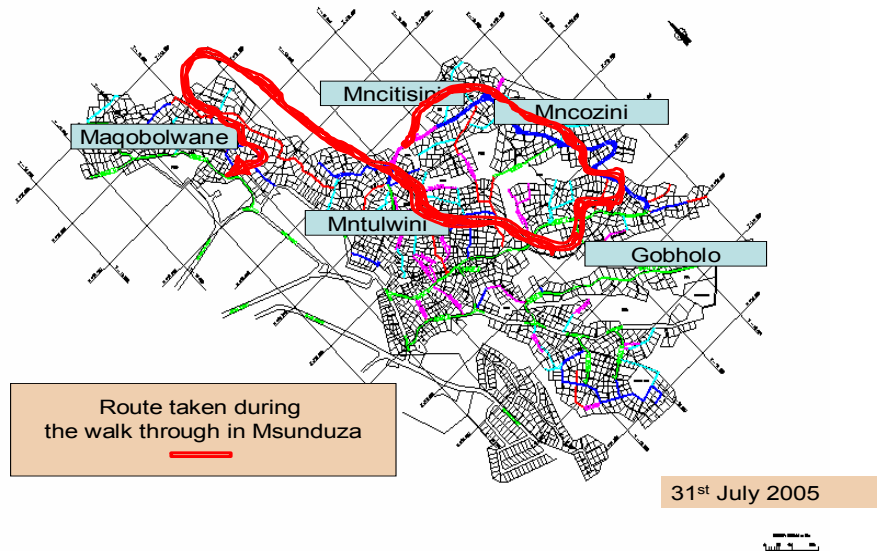
Sample

The target to interview were 10 persons key informants at the government level (1), the municipality (2), the National Housing Board (2), Project Coordinating Unit (1), Bank (1) Community leadership (3) local member of parliament, Msunduza ward Councillor, and Msunduza Zone leader). However, out of the 10 it was only possible to get interviews from 7 persons. These interviews provided personal insights from top decision making figures responsible for the planning and functioning of the city and the UDP.

3.2.2. The Walk through analysis

The walk through analysis method involves a group of people walking through a settlement including the researcher for the purpose of identifying conditions being researched upon and giving the researcher an opportunity to informally interview the people and let the people talk unhindered in a group about local issues of concern (Landaeta 2004). The approach is based on the premise that group dynamics will lead to the discussion of issues not normally revealed in one on one interview situations. The advantage of this approach is that it is both visual insight as well as interactive. More is realised than when a person is interviewed individually. Here a person gets feedback from a multitude of people who have been involved with the project at various stages. The team would at strategic points stop and talk about what they see around. Each would make his own views about housing improvements. Rules of the game are that no one is disturbed as one makes submissions. The people we met at the various spots are also given a chance to answer a few questions posed by the team. Most often the team members other than the researcher are most vocal particularly after the first and second visited spot of the transect walk. The walk was undertaken on the 31st July 2005. A team of five people comprising of the researcher and some four community leaders from the sub areas of Msunduza participated in the walk through which took 3 hours. During the walk through pictures were taken to reflect the housing condition through the route within a 30 meter radius of each particular point. All comments would then be written down for synthesis at the end of the walk. Besides listening and writing, the researcher's role was also to observe visually various areas based deprivations, housing variations in terms of quality, design, quantity, neighbourhood amenities, and degree of legality and ask how these are realized in the various points, and inquire in each case regarding housing tenure. Probing questions from the researcher were aimed at analyzing against the seven enabling instruments (World Bank 1993) covering issues of development of property rights, regulating land and housing development, developing mortgage finance, rationalizing subsidies, providing infrastructure, organization of the building industry, policy and institutional frameworks

Figure 1 Route taken during walk through analysis in Msunduzi



3.2.3. Use of local administrative data i.e. demographic, economic and reports, records

A number of local administrative data from the implementing agencies were consulted. These included but were not limited to seminar reports, World Bank aide memoirs, minutes of the PSC, annual reviews and reports of the UDP, Building society records, plot allocations records and leasehold contract. Organizations contacted included the Building society, Swaziland National Housing Board, Municipal Council of Mbabane, UNISWA Mbabane campus community health department, PCU, the Salvation Army Clinic that serves the Msunduzi Community and the World Bank internet site reporting on the UDP in Swaziland.

3.2.4. Mode of analysis

The case monograph covering the various particular situations and issues of the case was used as the basis for the data analysis. These included ideas about people's economic contexts, participation, legislative frameworks etc. Cross referencing the data obtained from the interviews and daily summaries was done before proceeding with further interviews. In other words analysis occurred even as data was collected and afterwards. Each day an assessment was made as to what had been found so far, from where, and what preliminary conclusions were being made. In this textual analysis particular attention was paid to the views coming from the different stakeholders as to whether they were confused, incomplete, cloudy, and contradictory or in agreement with views coming out from the beneficiaries. Also what was looked at was to try to make sense of the whole, the relationships between the people, the organizations and the information. The data from the interviews were then classified into similar and divergent categories. Besides deriving names of categories from the interviews, the names of the categories were also derived from the literature search and the conceptual framework of the study. Some data, particularly with reference to the two first and last standard questions, were organized in tables indicating the frequency of occurrence of certain categories of data. This meant reading and re-reading each copy of the interview transcript to finally come up with a particular category. From this categorization and re-

reading then came out unitized data that is chunks of words and sentences from which further conclusions were then made.

The analysis was to be limited within the conceptual framework for this study and focus on the subjects covered in the interview guides in trying to answer the questions of the study particularly to show how different actors view similar questions so as to differentiate the macro level (official discourse) perspectives as well as the micro level perspectives (beneficiary perspectives). Based on field observation and limited by data collected, a model of analysis to obtain the best possible picture of the situation in Msunduza was devised in the form of an analysis matrix indicated in table 1.

Table 3 Analytical Framework matrix

Seven elements of enabling housing markets (World Bank)	Subjects covered by interview guide and transect walk through the community	Sub questions
Property rights	Incremental housing improvement discourse-understanding, importance, what is occurring, and how it's realised	<i>What are the main obstacles that the beneficiaries are facing hindering them from undertaking housing improvements?</i>
Regulating land and housing developments	Sources of income of the people	<i>Are there any housing improvements occurring in the project areas and if so how are they financed?</i>
Development of mortgage finance	Governance/transparency/accountability	<i>What is the nature of the enabling environment in Msunduza? Are the enabling strategies effective in benefiting the poor? Which aspects of the enabling strategies serve as hindrance to housing improvement?</i>
Rationalising subsidies	Social Participation and experiences with cooperation	<i>What sort of enabling environment has the potential to support and provide basis for housing improvement to take place in the upgraded area?</i>

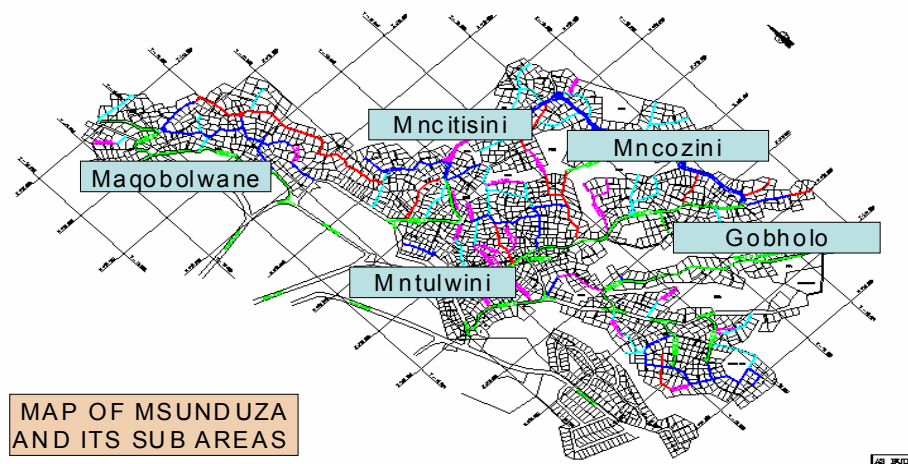
Providing infrastructure	Partnerships and complimentary NGO and CBOs & civil society	
Organising of building industry	Capacity building	
Policy and institutional framework	Property rights & presence of fear of indebtedness through paying rates	
	Roles of stakeholders i.e. govt role is enunciated in the Dos and don'ts	
	Social stigma/stigma of slum living	
	Usefulness of infrastructure services	
	Needs of beneficiaries	
	Housing improvement strategies	
	Housing conditions pertaining	
	Area based deprivations	
	Housing variations	
	Status	
	Tenure 99yr lease & freedom to sell.	
	New embedded restrictions	

CHAPTER 4 MSUNDUZA CASE STUDY

4.0. Introduction

This section gives a background to the case study area of Msunduzi in the context of the Urban Development project Package 13. Msunduzi is one of key project areas under the UDP where project implementation has been completed. The aim of this section is to put this study into context within the broader and wider issues pertaining to housing in Swaziland.

Figure 2 Map of Msunduzi-the project area



Msunduzi is the largest and oldest low income settlement area of Mbabane, covering a total area of 20 km². It is located south east of Mbabane city and incorporates the Mntulwini, Gobholo, Mncozini, Mncitisini and Maqobolwane neighbourhoods. Their proximity to the city has resulted in sizeable and dense settlement. All of the areas referred to above are within the Mbabane urban boundary. Mntulwini is the most densely settled area, and is often referred to as the “old Msunduzi”. Gobholo and Mncozini have a long association with the laMgabhi chieftaincy, under Chief Mabhedla Hlophe, to whom many residents *khontaed*⁹. While residents all over the five Msunduzi communities settled the areas under occupancy permits issued by the regional administration, residents of Gobholo and Mncozini obtained rights to their plots by allegiance to both the traditional and urban systems. They continue to perform tribute labour (*kuhlehla*) for the Lamgabhi chieftaincy.

Each of these neighbourhoods is distinctive. Mntulwini is the best established and thus the most densely settled and “urban” of all the project areas. Density levels at project preparation were estimated to be 3.8 households per plot (with over a third of the plots containing five households) and there are more renters than in any other project area (54%). There is also a high percentage of households consisting of one room dwellings (34.4%). Household sizes are smaller, with a mean of 4.5 individuals each. As a result of the density levels, plot sizes at Mntulwini were of smaller sizes than the average 200 square metres.

Mntulwini contains the highest percentage of women headed households (40.1%) across all project areas. Of these, 48.5% are owners. A higher percentage of these (80%) are in employment than is the case in other project areas.

⁹ Paying allegiance to a rural chief in order to gain rights to using land

Gobholo, Mncozini and Mncitsini are less densely settled. Those parts of these communities furthest from the city centre, assume more traditional, rural living patterns with larger plot sizes, often with fields attached to homesteads. These are fewer households per plot (2, 7) in these three communities, and household sizes are slightly larger with 4, 7 individuals each. There are more owners (60%) than renters (40%) in the upper and lower Gobholo valleys, reflecting their more traditional settlement pattern and there are fewer women headed households (31, 7%). At project inception, these areas had a higher percentage of vacant rental property (17, 2%) as against 1.6% in Mntulwini

Geographical description

Msunduzi is bound to the north by the Salvation Army clinic, to the South by the Cooperation Mountains, East Fountain mountains and West by the Mbabane River.

For administrative purpose Msunduzi is divided into five zones. These are

- 1 Maqobolwane
- 2 Mntulwini
- 3 Mncitsini
- 4 Mcozini
- 5 Gobholo

Climate:

Msunduzi is found in the high veld region of Swaziland. The climatic conditions are those prevailing in the highveld region. Average annual rainfall is approximately 1400mm, of which 80% falls between October and March. Summers are hot and humid with frequent rain, while winter months are cold to warm and dry. The summer temperatures range between 15°C and 26°C, though sometimes they reach 30°C.

Population profile

Msunduzi is a densely settled low income urban settlement with a total population of 7 879 people (1986 projection 1995)

The UDP figure for the population stands at 10 000 people.

Economic situation of the population

At Msunduzi many people are unemployed, especially the youth, but some are employed by the government, and some are self employed while others are employed by businessmen in the city. Most of the workers are part of the informal economy. They work in low-paid, low productivity and low security jobs. This situation of informality poses certain costs to the informal workers themselves because the workers lack security, access to markets, finance services and other types of formal business support.

4.1. The Urban Development Project (UDP)

Description and objectives

The Urban Development Project is the first phase of a long term urban development program aimed at increasing urban management efficiency and improving living conditions of low income urban households by providing basic urban services and housing in Mbabane and Manzini the two big cities of the Kingdom of Swaziland. It is an infrastructure construction and upgrading project, with objectives to deliver sites and services and formalise tenure within the project areas, through improving solid waste management; roads, footpaths and drainage; water supply and sanitation. Implementation of the UDP commenced in 1995/96. At its completion, the UDP was to deliver a total of 4350 plots of which 496 would be in Moneni and 300 in Mhobodleni in Manzini, and 1800 in Msunduzi and 1780 in Nkwalini zone 2&4 and Mahwalala zone 6 in Mbabane. Besides, it was to include a policy and institutional reform and implementation assistance. Funding for the project was provided by the World Bank. In the absence of any upgrading precedence in the country, World Bank

experiences were used, drawing from the knowledge base on low-income slum settlement upgrading in Africa and the lessons learned from these upgrading interventions aimed at improving service delivery and quality of life for the urban poor residing in poor urban settlements. The enabling housing market approach and cost recovery principles were applied for the first time in Swaziland as part of the Urban Development Project.

Upgrading Typology for the UDP

The type of upgrading typology agreed to between the Swaziland government and the World Bank was a typology that had the following key features: Comprehensive, multi-sectoral, integrated with land title/plot title given and based on cost recovery with plots priced to cover capital cost of infrastructure provision, calculated on a “saleable square meter basis” and plots priced. The advantage of this upgrading typology is that it is said to be sustainable (covers capital costs) and “legalizes” beneficiaries, bringing them into the city and into payment for operation and maintenance. The disadvantage is that it is complex and time-consuming and expensive for low income people and thus protection for “destitutes” is a requirement.

4.2. UDP Package 13-Msunduzi

Package 13 description and objectives

This case study focuses on the links between enabling strategies and housing improvement issues in Msunduzi, one of the project areas located within the proximity of Mbabane City. Package 13 was carried out by the Swaziland National Housing Board, a parastatal organisation that delivers housing for low and middle income groups in Swaziland. The project (named UDP package 13) planned to upgrade and provide 1820 residential serviced plots consisting of 450 new plots, upgrading 1320 existing plots, 43 commercial and 7 community open space. Besides the provision and upgrading of residential, community and commercial plots the project sought to provide roads, drains, refuse disposal facilities, street lighting, communal structures, water and sanitation (Burrow 1993)

Implementation objectives

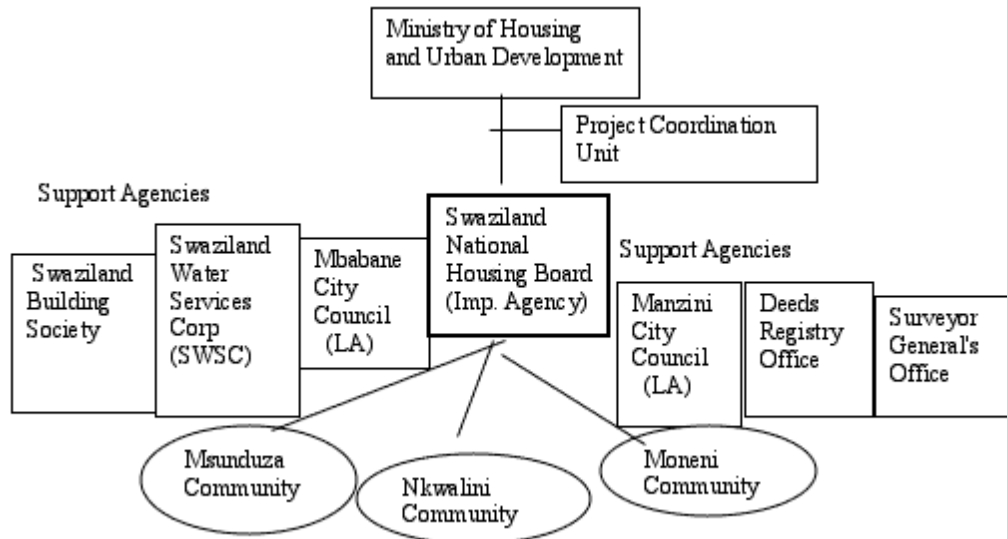
The implementation process was divided into two main key areas: sales process and construction programme. Project implementation objectives used by the implementation agencies were to

- 1 Deliver affordable and sustainable infrastructure
- 2 Facilitate community participation in project implementation
- 3 Provide secure title to residents through affordable plots

Institutional framework and key players

The institutional framework for the project comprised the Ministry of Housing and Urban Development (MOHUD) providing oversight and the Swaziland National Housing Board being the implementing agency (IA) responsible for actual project execution. The Deeds Registry Office, the Surveyor General’s Office and Swaziland Environmental Authority were involved in project implementation as Support Agencies to the implementing agency. MOHUD provided project oversight through the Project Coordination Unit (PCU) and the Project Steering Committee (PSC) with its various sub committees. Other agencies that were mostly involved in project implementation were the Ministry of Finance; Ministry of Economic Planning and Development; Treasury Department, Auditor General’s Office, and the Attorney General’s Office. All these contributed to the success of the project (Banes 2002)

Figure 3 Institutional framework and key players



Pre sale process

The plot sale was preceded by the plot pricing mechanism and policy agreed with the community and then preparation of allocation list. During this process it was very important to keep a positive attitude among the residents and good relations with the implementing agency. Further to assist in this relationship Project Outreach Facilitators were identified, recruited and trained. These are people who form the link between the implementing agency (IA) and the community. It differs in many respects with other countries where the link is provided by the community leadership. The other important issue was to keep the building ban which had been in place since 1996 for all project areas in order to give way for the UDP.

Plot pricing mechanism, policy and minimum standards

A Plot Pricing Policy setting out the pricing procedure and details of what costs can be included in plot price was developed. It stated that plot price include construction cost of services, associated development costs, developer’s overhead & finance costs. The policy also set out the pricing principles for different types of plots (residential, commercial & industrial, public and private community facilities).

How to Calculate the Plot Prices:

Total cost / total leasable area = unit cost (E / m²)

Unit cost x plot area = base cost.

Rationale on plot prices

The guiding principle of the UDP is that serviced plots should be affordable to most of the people who already live there. The other UDP principle was that there should be no cost for land; so the plot price is determined by the development cost, of which the construction cost (cost of services) makes up between 70% and 80%. The latest estimate for the average plot cost at Nkwalini and Mahwalala is **E25, 000**, compared to actual plot cost at Msunduzu of approximately **E10, 000**.

On a plot costing E25, 000, if a resident were able to pay a deposit of E5, 000 (20%) and take a mortgage for E20, 000 (80%), the monthly repayments would be approximately E360 per month. The Swaziland Building Society requires that this is less that 15% of a family’s

salary, so the family would need to earn E2, 400 per month for ten years. (Source: UDP project document)

Minimum standards and Choice of service levels

The original UDP engineering design thus attempted to keep plot costs as low as possible by providing the minimum acceptable standards:

- 1 Ventilated Pit (VIP) latrine as sanitation,
- 2 Communal standpipe as water supply,
- 3 Wide footpath access to plots (surfaced on steep grades) that could be used for occasional informal vehicle access,
- 4 Some surfaced roads to provide access for refuse and emergency vehicles to collector points,
- 5 Low level street lighting to provide some security along roads and paths,
- 6 Communal refuse collection containers

If groups of people in part of a UDP upgrading area could afford higher standards, then these could be provided:

- 1 Septic tank / soak away for large plots or piped sewers for small plots,
- 2 Individual plot standpipes or house connections for plots with waterborne sewerage.
- 3

Minimum standards for housing improvements

The Grade 11 building regulations stipulated the minimum standards to apply for incremental housing improvements. This includes for instance combining concrete blocks with earth block in building.

Figure 4 Concrete and earth blocks for grade II building regulations



Preconstruction process

The preconstruction process involved infrastructure design, survey, plot pegging and registration, tendering and procurement process using the World Bank guidelines, securing of the loan funding from the World Bank, resettlement and compensation, Comprehensive Mitigation Plan (CMP) and EIA.

The project design was a complex operation, comprising a 3 stage, 18-month process; a three months intensive strategic planning exercise followed by preliminary then final design, and involving a consultancy team of some 50 professionals, a project coordination unit, a project steering committee and numerous sub committees and working groups within central government and its implementing agencies, and participation throughout the process by representatives of the affected communities and other stakeholders. The project preparation and design phase covered the period 1992-1994. The loan was signed in July 1995 and the projective became effective in January 1996

Plot Sales process

The sales process started with development and updating of census data, coming up with a primary allocations list from the qualifying beneficiaries (residents/owners and children), showing plot ‘owners’ the plot pegs, legal aspects (lease documents, Power of Attorney from Minister), POFs (defining, recruiting, training, costs etc), and community liaison

Figure 5 Plot Sales Processes

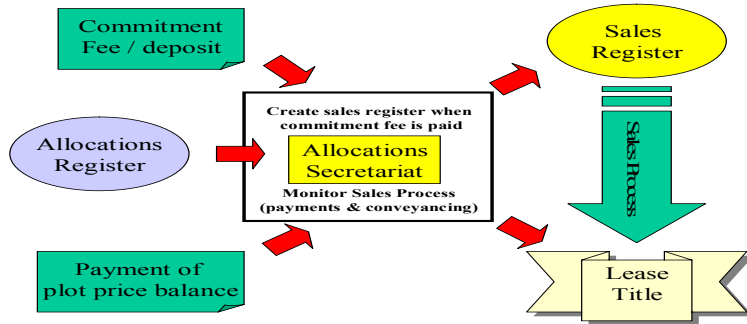
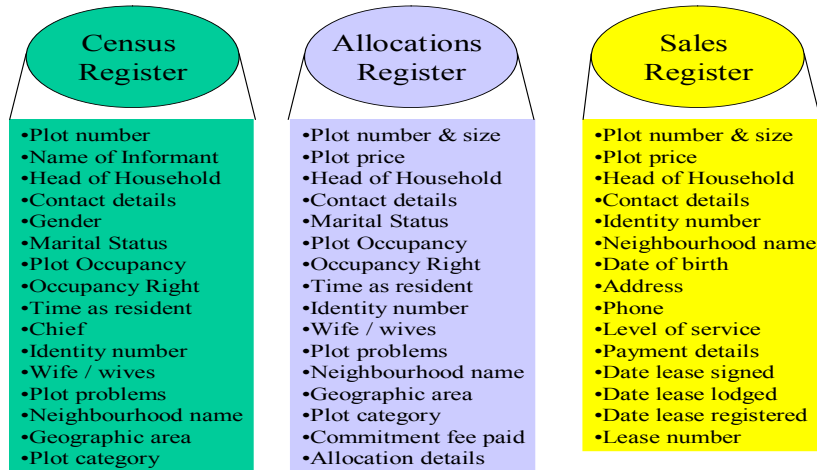


Figure 6 Sales process registers



Source: SNHB sales process and experiences in Msunduzi.

4.2.8. Resettlement and compensation

Infrastructure development resulted in the need to demolish some houses and other structures in each of these neighbourhoods. Careful planning however, kept these to a minimum greatly reducing the number of plots to be affected

The resettlement plan was only intended to meet the needs of those affected by the demolition of their houses and did not consider resettlements of those who could not afford the project. The Government of Swaziland has developed policies and plans to assist this latter group estimated to be 15% or less of the project area residents. To the extent possible, these options were to minimise resettlement of residents from their present communities for reasons of affordability. However, a separate Resettlement Plan covering all those constrained by affordability was then developed.

4.2.8.1. Resettlement due to Environmental reasons

At project preparation, 38 plots were identified for resettlement in Maqobolwane Mbabane due to environmental considerations. This was due to the fact that they are located on a very steep hill anticipated to make it difficult to provide them with services. The provision of water in this area has necessitated a review of the need for resettlement. Alternative ways for providing services in this area are being considered. In the event that an alternative mechanism for providing infrastructure in this area is agreed, then only 5 plots will need to be resettled. These are dealt with in detail in Section II of the report which addresses Msunduza resettlement cases.

Figure 7 Maqobolwane water collection point surrounded by boulders located right in the middle of the settlement. Uphill are pit latrines like this one next to it



4.2.8.2. Resettlement objectives

The objectives for resettlement resulting from the construction of infrastructure in project areas are:

- 2 To ensure that the living conditions and standards of those affected are restored;
- 3 To compensate those being displaced as a result of infrastructure development for all immovable assets (excluding land) at replacement value based on independent valuation;
- 4 To ensure that those affected are fully informed, consulted and participate in decisions concerning their relocation;
- 5 To ensure that, to the extent possible, resettlement is within the same project area;
- 6 To address the special needs of those considered to be most vulnerable to the negative impact of resettlement (women headed households, the elderly, large households with many children under five years of age, the disabled, etc.);
- 7 To monitor implementation of the resettlement plan and evaluate its impact over time.

4.2.8.3. Affected residents compensation

Those residents whose houses and other structures were demolished as a result of project construction were offered the option of purchasing another plot in the same project area; compensation was given for the loss of their immovable property and assistance for relocation to their new plot. Should insufficient new (or infill) plots be available in their present neighbourhood they were given priority in other Mbabane UDP project areas.

4.2.8.4. Affordability

Calculations at project preparation stage indicated that 15% of project area residents would be unable to afford their present plot. A similar percentage of infrastructure resettlement cases would have been unable to afford to purchase a new plot onto which they can move. It is important to note that all project assumptions about affordability were based on estimates of income, and not measurement of wealth, held in the form of other assets, including cattle. Neither did these take into account the extent nor importance of kinship links in Swazi society. Kinship ties were being used to tap a range of other family resources to achieve what is widely perceived to be a valued good - the ownership of urban, title deed land. Key assumptions were that residents of project areas were in a position to make great efforts to achieve plot ownership and there was to be unexpected examples of individuals perceived as being poor achieving this. Since infrastructure resettlement cases are a priority in the allocation and application process, applicants were given a wide choice of plots which improves affordability. Options to enhance affordability *inter alia* included;

- Residents could elect to swap their plot for a smaller and more affordable plot in the project area, subject to the availability of such plots. They were also entitled to compensation and assistance as detailed in the relevant policies of the MOHUD.
- Residents could also enter into an agreement with another person to jointly purchase and own the plot. They would have the choice of making their own legal agreements or selecting one of the standardised agreements designed by the project for this purpose.
- Any excess plots in a project area was to be sold at a premium and the proceeds thereof used to offset the purchase of the plots of a number of destitute residents to be selected by the community. The non affording residents were to be afforded a life interest in, but not ownership of the plot. Monthly service charges and rates associated with the plot on which the non affording case is resident remain the responsibility of the plot owner. Ownership of the plot would be registered in the name of the developer.

4.2.9. Community participation and concept of Project Outreach Facilitators (POFs)

To make certain of their participation, a Community Liaison Task Force was established, chaired by a Community Liaison Officer in the Project Coordination Unit in the Ministry of Housing and Urban Development (MOHUD). A series of meetings, convened by community leaders, were held prior to and during project design to discuss service options, costs and maintenance of roads, services and community facilities. The participating communities appointed Project Steering Committees which were working with the implementing agencies and design engineers.

Project Outreach Facilitators (POFs) living in the impact areas are recognized community leaders. They are responsible for exchanging messages between the housing board and the community. They were essential in introducing the concept of plot prices to the community, and explained that the fees were primarily based on the services they would receive once their land was rehabilitated. Community consultations also led to affordability options for those who could not pay the plot fee, such as widows and handicapped persons

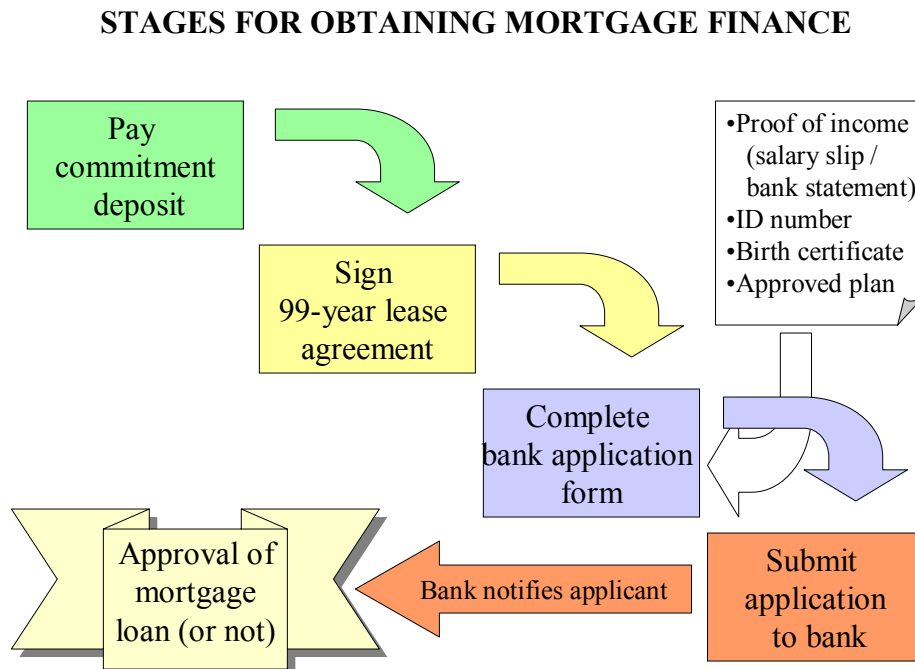
4.2.10. Contractors

The main contractor for the civil works was Rumdel Construction. Small works and labour based contracts – as opposed to normal civil works contracts for footpaths, wash up points and latrine platforms were done by local small contractors mostly from community.

4.2.11. Mortgage finance with the Swaziland Building Society

The Swaziland government made an arrangement with the bank for the beneficiaries to get loans for housing improvements. She made a commitment to recompense the SBS on default a certain proportion of amount outstanding based on proof of collection from SBS. The bank was however supposed to proceed with its usual screening procedures, but with certain considerations aimed at the lowest income group in acknowledgement of the provisions of the guarantee scheme.

Figure 8 Obtaining mortgage finance process



Source (SNHB)

4.2.11. Completion of project and outcomes

The project preparation and design phase covered the period 1992-1994. The loan was signed in July 1995 and the projective became effective in January 1996 and the project completed 30th March 2005.

Box 1– Msunduzi Upgrading Scheme Data

Msunduzi 1,350 existing plots; 430 in-fill plots (i.e., plots arranged in open spaces between existing plots); 80 non-residential plots

Msunduzi area approximately 1 sq. km. (100 ha)

Msunduzi population approximately 10,000

Msunduzi density approximately 100 persons/ha

Msunduzi Infrastructure (Main Contract Package)

- 3.5 km of bituminized, or tarred, surface roads up to 6 m wide
- 5.0 km of concrete surfaced footpaths 0.8 m wide
- Concrete lined drains to main roads
- Water reticulation to serve 1800 plots via stand posts or individual connections
- Waterborne sewerage to serve 500 plots – others provided on-plot solutions
- Streetlights
- 2 play areas

At completion of the project the city council took over the township. Collection of rates from those who had signed their lease contracts immediately started. The role of the municipality is also to undertake maintenance of the infrastructure and services. Housing improvements were left to the beneficiaries to carry out on their own. Certain enabling environments were put in place such as the grade 11 building regulations and guarantees given to the Building Society where in beneficiaries could borrow money for purchasing building materials. Each one of the implementation agencies is obliged to pay the principal loan, the commission and interests on the loan.

CHAPTER 5 RESULTS DATA PRESENTATION, ANALYSIS AND DISCUSSION

5.0 Introduction

This chapter presents the findings of the study and the analysis of the findings concerning the enabling approach and obstacles to housing improvements in Msunduza. The analysis is limited to the conceptual framework for this study and focuses on the issues covered in the interview guides in trying to answer the question. “*Why do beneficiaries find it difficult to undertake housing improvements in the Msunduza upgraded area?*”

As a reminder, the enabling housing market approach promotes seven major enabling instruments that government may use to enable housing delivery. These instruments address the demand and the supply side constraints and also improve the management of the housing sector (World Bank 1993: 4-5). On the demand side is the development of property rights, mortgage finance and rationalising of subsidies. On the supply side, the enabling instruments are the provision of infrastructure and services, how land and development is regulated, how building construction industry is organised, and then creating an institution to manage the housing sector. An analysis of limitations of the enabling approach in a World Bank funded project is by default looking at these seven enabling instruments

5.1. Findings on property rights

The study made five key findings with regards to the property rights situation in Msunduza.

- 1) Progress has been made in the project because 531 out of 1496 have fully paid for their plots and out of those, 301 now have their lease titles issued to them.
- 2) There is now excitement that after living in Msunduza without security of tenure, at long last there is peace of mind without any fear of evictions.
- 3) There is considerable fear in the community of paying rates.
- 4) Some 15 to 20 % of the beneficiaries have started making some improvements to their houses.
- 5) There is controversy around the 99 year lease, causing people to be sceptical about the practicalities of transfers and selling of property in the area.

1) Some progress has been made in the project because 531 out of 1496 have fully paid for their plots and out of those, 301 now have their lease titles issued to them.

Data from the project documents revealed that progress has been made in the project because the UDP has managed to develop 1800 plots in the whole of Msunduza of which 1496 have already been allocated, 335 beneficiaries have paid the commitment fees of E400 as a form of indicating their participation in the project and once the E400 is paid, beneficiaries are then free to proceed with housing improvements. Secure land tenure is one of the most important factors for the sustainability of any intervention in informal settlements. It can be seen as the key that unlocks investment in home improvement and motivates residents to help maintain new infrastructure and engage in further improvements. However as much as security of tenure gives rise to housing improvements; it is also coupled with factors which discourage housing consolidation. Once an area is formalised, municipal authorities start to impose rates and charges for the services provided. This is exactly what happened in Msunduza. Suddenly the people are getting rate bills. Following the logic, however, that security of tenure gives rise to housing improvements, it should be expected that with the removal of a few obstacles people should indeed start speeding up with some progressive development of their housing.

The process to get the lease hold titles for those who have paid takes too long, even if a beneficiary would like to use the lease title as collateral for a loan in trying to improve the

house. The bureaucratic wheels turn slowly in waiting for the lease first to be released. This discourages people, and as a result some have stated that the security of tenure can only serve the purpose of keeping the land to be used by their children later in life. Their view is that the lease title is just for the acquisition of land not necessarily that it is for development, as there are no financial resources to carry on the housing improvements. If people take this position it means there is a danger that the giving of tenure may serve to fulfil speculative intentions, hence it is critical that some means to obligate housing improvements be found.

2) There is now excitement that after living in Msunduzi without security of tenure, at long last there is peace of mind without any fear of evictions.

Of the 35 beneficiaries interviewed 19 of them indicated excitement that after a long time living in Msunduzi without security of tenure at long last they can have a peace of mind without fear of any evictions. The fear of evictions and lack of tenure in the area has been keeping the residents from improving their housing situation for a long time. This excitement is indicative of the potential for improvements in the area.

3) There is considerable fear in the community of paying rates.

According to two of the stakeholders that were interviewed, they stated that there is a new type of fear that has been brought into the picture by security of tenure replacing the fear of evictions. This fear is fear of rates. According to the two, this is why most people are holding back payments of the agreed minimum plot price because they think that if they don't pay, then the City Council cannot levy them with rates. When the people paid their obliged minimum plot price, the municipality has immediately assessed rates. Thus, those who still were to pay have held back making payments, in the hope that this delay will cause the municipality to also delay levying rates. Rates are misunderstood in the community and are considered an unnecessary expense, particularly in the absence of services in the area. Many more challenges have arisen causing the people to hold back. Now most residents think that they are being deprived more than they are benefiting, due to the fact that they have to pay rates now and also have to pay also for their plot which included a number of other infrastructure costs.

The right to possess land subjects the poor people to the payment of rates and service charges which these impoverished households cannot afford. The financial burden arising from land taxes becomes an added problem and an obstacle towards achieving housing improvements. Skinner explains that the inability to cope with the service expenses results in poor households having to pay up or letting other expenditures in their household budget suffer, such as school fees and uniforms, health charges, food and clothing (Skinner and Roddell, 1983, Rakodi, 1987 in Mbonane 1999) Such circumstances do not put poor households in a position to improve their housing. Skinner's view about the fear of rates was found to be true even in Msunduzi. As Skinner asserts, in order to afford paying all those expenses indeed some of their household budgets would have to suffer dearly; such as school fees, uniforms, health charges, food and clothing. This alone leaves them with very little to invest in improving their housing situations. Unless something is done to remove the fear, everything will grind to a halt as people will continue holding back plot payments, the release of lease titles to people will be delayed, no housing improvements will take place because people will not be in a position to access finances without their lease contracts. Also, the municipality will not be in a position to maintain the infrastructure because in order to do that they need the revenue from rates.

4) Some 15 to 20 % of the beneficiaries have started making some improvements to their houses.

Walking through the five sub areas of the project area on the 30th July 2005, the team developed the impression that at least 15% to 20% of the beneficiaries have started with some incremental housing improvements. It was not easy to determine whether these improvements were as a result of the security of tenure or not. However, evidence from the project documents revealed that the actual number of people who have used their leasehold title to obtain loans from the Building Society was actually only five (5) people. The rest used a separate scheme called Nhlanyelo Fund which is actually not intended for housing but for small business enterprises. This means that if only such a minority are improving their houses, there must be some real problem.

5) There is controversy around the 99 year lease causing people to be sceptical about the practicalities of transfers and selling of property in the area.

Twenty one (21) out of 35 beneficiaries interviewed were worried by the controversy and lack of clarity surrounding the 99 year lease. The study found that, the right to sell is not clear at the moment because the 99 year lease is not understood properly among the beneficiaries. Other people understand that the lease cannot be sold but may be transferred. Others think you can only sell the developments in the plots, not the plot. When asked why people are not improving their houses, the councillor of the area for instance, came out clearly saying that the beneficiaries are not improving their housing situation because of the problems with the 99 year lease. He points out that people want to improve, sell and go elsewhere because the area has stigma. As it is now, he states that people cannot sell here because the 99 year lease makes it difficult to sell one's leased plot. Therefore people see no reason why they should improve their housing.

Beneficiaries already reported problems with transferring the 99 yr leases. The question that bothers every resident is where the money will come from to build a credible house that one can sell in the market. Still, is the 99 yr lease saleable in the first place? One of the major problems is that, because the land will still be owned by the government (and the Swazi Nation in peri-urban areas); beneficiaries question the need to purchase the land. The fundamental aspect of 99-year leasehold (retaining ownership of land with government) is in fact, the main seed of discontent in the area.

For these reasons security of tenure has actually done the opposite in Msunduzi. Instead of motivating people to invest in housing as Skinner, the World Bank, and many others have advocated, the reality in Msunduzi proves different. There, the 99 year lease issue is the limiting factor.

Also, since there are many tenure systems, the enabling approach should have stated which type of tenure motivates because given the Msunduzi situation the 99 year lease does not motivate as per the concept. Freehold may be a different issue altogether. The case provides the lesson that it is important to organise the tenure issues in advance, before implementation. Secondly, it is well and good to have security of tenure but the engine for housing improvements is money. In the absence of money to undertake the necessary improvements, many people with tenure would still remain in poor housing conditions.

5.2. Developing mortgage finance

Three key findings were made regarding mortgage finance issues: 1) most beneficiaries do not qualify for mortgage finance with the Swaziland Building Society, 2) too much emphasis placed on money and cost recovery in the project and beneficiaries are contesting it because their economic situation is precarious, 3) plot sizes of 300-750m², technically do not allow

construction of rental housing, which has been a major source of income of the people in the area.

1) Most beneficiaries do not qualify for mortgage finance with the Swaziland Building Society,

Officially, mortgage finance is guaranteed for every beneficiary in the project. On the contrary, when interviewing beneficiaries and the officials it was found that in fact mortgage finance is not guaranteed for everybody. Whilst the arrangement with Swaziland Building Society (SBS) is good, some beneficiaries interviewed view this arrangement as a trap to ultimately take away their plot and moreover most of them do not qualify. In the SBS arrangement, the study found that the mortgage arrangement has certain limitations which serve as a hindrance to poor people to get loans from the bank. This is due to the fact that stringent qualification requirements are demanded by the bank. These include a regular legal source of income, since a stop order is operated in this facility. This becomes a problem because one of the major sources of income for the people is selling of local, home brewed beer which is considered illegal by urban standards. An informal business that is without a licence is considered by the bank as an illegal business.

The other problem is that market rates are charged on the loans. Market rate of interest charged by the bank consist of the bank's margin of profit, administration costs, and risks of lending costs and inflation costs. There is no positive rates subsidy. Positive rate of interest consists of all the interest elements less the margin of profit. Many contemporary upgrading models like the Pradesh model in Latin America successfully applies positive rate subsidy (Task Force 2005) and this makes it easier for low income people to service their loans.

Interviewed further, most residents fear the banks because of stories about foreclosures when you deal with banks and you start failing to meet payments. Given the unstable economic situation of the residents, it is unlikely that many of them will take advantage of the banks offer to improve their housing situation since most of them do not qualify for loans. According to the key stakeholders (SNHB, PCU & MBCC) now that Msunduzi has been declared a township it should, in principle, be easy for the banks, (particularly the Swaziland Building Society), to agree that people from the area once having their lease contracts can apply for loans. This was confirmed during interviews with Mr. Mthethwa, who is in charge of the portfolio of mortgage finance for the low income people at the Swaziland Building Society.

It was also found that the bank has so far given loans to at least five (5) people from Msunduzi to undertake housing improvements. Asked why the other banks were not participating, the stakeholders stated that the other banks do not like giving loans to Msunduzi residents because of the increased risk involved, the low profit margins, high transaction costs as the loan applications come at a very slow pace and they are not confident of the foreclosure costs since this is a 99 year lease contract arrangement.

2) The monetarist approach to housing.

Too much emphasis placed on money and cost recovery in the project and beneficiaries are contesting it because their economic situation is precarious. Poverty is the problem for the beneficiaries because many people are unemployed. Those employed are in insecure jobs like casuals and working as gardeners. Some are widows and the elderly who have nothing to spare for doing improvements. Money is needed for a number of things. People lack money to purchase the plots, to contract architects for drawing the site plans and then pay building plans submission fees. They find themselves subordinated to bureaucratic factors that raise costs and reduce enthusiasm. Housing improvements require seed money to buy the building materials. Building materials are expensive. One key stakeholder interviewed thinks that

financial matters are a real hindrance to housing improvements, putting the blame on every party, including the World Bank.

“The municipality is interested in rates, the government is interested in paying back the loan from the bank, and we the residents are interested in rental housing incomes”

This view agrees with one of the main critics of the World Bank policies, Abbasi, who states that “The bank's policies are so driven by monetarist ideology that the living standards of millions take second place to chasing some economic nirvana” (Abbasi 1999) (www.bmj.com). As a consequence, some stakeholders think the whole project had interest in money and not the people. However it is the researcher's view that the monetarist ideology is in a way justified, because a bank is a bank, but perhaps the emphasis on monetary issues should show some semblance of being pro-poor.

Problems with shortages of finances manifest themselves in the slow pace taken by beneficiaries to pay for their plots. Failure to pay for the plots has resulted in low revenue collection at the Swaziland National Housing Board, further causing them to be behind with payments of their principal loans, commission and interests payments. On the other hand the cost recovery principles being applied to the project has caused the plots' prices to shoot up.

The original project design documents call for the recovery of full costs of the upgrading components. However, experience from the Msunduzi upgrading has shown that it is both inequitable (in relation to other housing developments in the city) and fails to cover all development costs directly and in up front payments from the individual plot owners within the immediate vicinity. Why should the poor people of Msunduzi be made to pay for the development of infrastructure and services that benefit the public at large? Why don't the bus owners, the bakery owners who still use the development, etc., also pay? This contradicts the public/private goods debates because now beneficiaries are being forced to pay for the so called public goods, which is a thing that has never been done- even for the well to do of the city. Roads, footpaths and high light mast are being paid for and yet they fall under the same category as Public health and welfare programs, education, research and development, national and domestic security, and a clean environment all are labelled public goods. Public goods have two distinct aspects—“non-excludability” and “non-rivalries consumption.” Non-excludability means that non payers cannot be excluded from the benefits of the good or service. This has the implication that in many respects the costs being borne by the people as part of the plot prize has many free rider aspects. Others are enjoying the benefits without paying.

It is the stakeholders view that because the beneficiaries are now aware of this they are resisting. This is why the plot payments are going very slow, let alone other improvements. This is why the latest Aide memoir notes: “SNHB has experienced great difficulties in upgrading Msunduzi and cannot recover project costs from the new plot owners”. (Page 27) “A number of plots (3400) are still not committed to any new owners and remaining costs seems difficult to recover. SNHB would like to continue upgrading in other sites but has no capital. The revolving fund design did not work because of substantial implementation delays and difficulties in funds recovery. Full cost recovery through plot sales (including water, sanitation, electricity, roads) needs a further discussion of financial options (aide memoir 2004). These sentiments are known in the community and cause them to slow down and the shortages of resources are already causing reduced enthusiasm in the project.

Besides, provision of infrastructure and services per se, is by itself a financial burden to the already burdened low income settlement people. They have to have money to pay for it. To use electricity and water you have to pay. To occupy the land you have to pay. Provision is not enough and some further enabling is required. It is the conclusion of this study that you may have all the infrastructure and services but unless you have the resources you will not

improve your situation. This is also supported by conclusions from the latest aide memoir “Full cost recovery through plot sales (including water, sanitation, electricity, roads) needs a further discussion of financial options” (aide memoir 2004)

3) Plot sizes of 300-750m², technically do not allow construction of rental housing, which has been a major source of income of the people in the area.

Rental housing, which is one of the major sources of income, is now being interfered with because the plot sizes of 300-750m², do not allow the construction of rental housing. Beneficiaries face problems when trying to mobilise money from the Banks because the banks require stable salaries and incomes in order to grant loans, which are very rare in this community since most people have irregular jobs and irregular incomes such as selling of vegetables, local beer and mending shoes. The implication for this is that some tenants will have to vacate the old premises when time comes for demolitions and in the process the cash flow for the landlord beneficiary will then be affected negatively. Some have depended on the rental income for many years in view of insecure jobs.

5.3. Regulating land and housing developments

Two key findings were made regarding this instrument: 1) good enabling environment exist in land and development regulation, and 2) there is “laissez faire” attitude towards obligating housing improvements in the upgraded area and enforcing the housing improvement related articles of the 99 year lease contracts.

1) Reasonable enabling environment exists in land and development regulation

Through reviewing the documents and interviewing the municipality, the study found that a good enabling environment exists in the area of land and development regulation. As part of enabling for housing improvements, the grade 2 regulations were introduced in 1999. In terms of the Urban Development Project (UDP), the Building (Grade II) Regulations 1996, are applied in the affected areas in order to permit residents in these areas to build permanent 'affordable' homes using either stick and mud or mud block (*sitini seludzaka*). The key elements of the applied low standard, grade 2 regulations are the pre-approved plans which do not have to be circulated widely as would the conventional drawing plans from normal development and the short run submission process to cut delays for the people. The municipality has relaxed a number of the building and development requirements of the Building and Housing Act (1968). For example, instead of a title deed, the Council is able to accept only a deed of sale and an original letter from the SNHB stating that the applicant has been allocated the plot in question, and has complied with the SNHB requirements regarding the purchasing of the plot.

Figure 9 Building construction going on



Limitations

Two beneficiaries, who have managed to improve their houses and have had the experience of the municipal plan approval and development processes, were interviewed during the walk through analysis. They complained of delays experienced by the community much against the promised short run process in the plan approval. Even though it was promised, the plans will only be circulated internally and not go to the other external plan approval authorities. The two key stakeholders at the municipality confirmed that on the contrary the plans still follow the entire route resulting in delays. The other limitations highlighted by these two beneficiaries are the difficult and technical architectural requirements for the site plans and costly submissions which are similar to the other non low income populations, which are also proving costly.

“How do you expect me, old as I am to run around the city looking for an architect office to draw my site plan? I would rather stay like this. Also the plan submission fee we pay here is equivalent to the one paid by people coming from Dalriach (high income area)” One of the beneficiaries who gave up on submitting plans after unsuccessful errands looking for someone to draw her the site plans required by the municipality.

2) There is “laissez fare” attitude towards obligating housing improvements in the upgraded area and enforcing the housing improvement related articles of the 99 year lease contracts.

Interviews with the municipality revealed a somewhat “laissez fare” attitude towards obligating housing improvements in the upgraded area, hence people do not feel obliged to undertake housing improvements even though it is written in the lease contracts. When asked why they were being lenient on this matter, the municipal person stated that they as a municipality realise the poverty predicament of these people.

“If we try to enforce the rules as they are, the issue could then be politicised.” This also came out during the interview with the local Member of Parliament (MP)

“Housing improvement is not emphasised in this project. You do it if you like” MP.

Seven of the beneficiaries interviewed mentioned the limitation imposed by the time frame given to building permits- the fact that a permit is for a specific period of time and when such time elapses before the houses are finished; the renewal of the permits becomes expensive.

“We fear and hesitate to take permits for fear that we may not generate enough money to finish whatever improvements, then the permit expires, then we have to pay again, and in the mean time the housing situation remains as is, not because we like, but sometimes time of death comes” one of the beneficiaries

5.4. Rationalising Subsidies

Two key findings were made: 1) the Swaziland Government and the municipality do not provide housing subsidies to the beneficiaries of the project in Msunduzi for carrying out housing improvements, and 2) beneficiaries are not being honest or forthcoming about their affordability levels.

1) The Swaziland Government and the municipality do not provide housing subsidies to the beneficiaries of the project in Msunduzi for carrying out housing improvements

The general rule in many countries is that subsidies are introduced when there are problems with affordability as in the case of a low income urban settlement. However evidence from interviews of the beneficiaries and the key stakeholders revealed that the Swaziland Government and the municipality do not provide housing subsidies to the beneficiaries of the project in Msunduzi for carrying out housing improvements. The only known subsidy given by the government is that which is given to her employees: the civil servants. In Msunduzi,

compensation was provided solely to those people whose homesteads were affected by the development. Four of the beneficiaries, however, expressed the view that giving compensation to other people leads to some form of segregation of the people into 1) those affected by the demolition of their homes and therefore eligible for compensation which for some helps them carry out housing improvements and 2) those who cannot afford the project; those constrained by affordability.

“That is why if you look around, only those who were compensated have managed to make some improvements in the houses. They used the compensation money. Those of us who were not fortunate to be removed by the development and then compensated, we cannot improve” a beneficiary.

From the interviews of those who have managed to improve their houses it was found that they got subsidies from their employers or *Nhlanyelo fund*. Demand and targeted subsidies refer to the combination of loans, subsidy and savings. Common sense dictates that loans and savings of the poor are typically minimal and therefore cannot afford them the opportunity to buy materials for housing improvements, hence the need for subsidies.

2) Beneficiaries are not being honest or forthcoming about their affordability levels.

Transparency becomes a key issue in arriving at the correct subsidy. Interviews at the macro levels revealed however, that beneficiaries are not being honest about their affordability levels. Beneficiaries refused the affordability study. The assumption given by Landaeta (2003) becomes very crucial here. She argues that housing improvement belongs to the socio-cultural domain and social participation in the socio-political domain. In inquiring about one's income and savings requires an understanding of the culture. For instance, in Swazi culture, it is very rare for one to disclose one's salary and savings.

5.5. Providing infrastructure and services

Three key findings regards infrastructure and services were made: 1) key stakeholders and beneficiaries agree to a great extent that the infrastructure component was well done 2) the presence of infrastructure has been influential in causing people to undertake housing improvements and 3) there are serious disagreements over the status of the project whether it is complete or not because some measure components were left uncompleted by Rumdel the contractor..

1) Both beneficiaries and key stakeholders agree to a great extent that the infrastructure component was well done

“We are happy about the roads, high mast lighting, and the pathways, although not all of us got the infrastructure. Some of us now have access to our homes. Also, there is high mast lighting system that helps reduce crime rate within the neighbourhood”.

A view of almost everybody interviewed in the area. The stakeholders are also happy about this component although they admit that certain infrastructure such as certain roads, pathways and toilet platforms are still pending. The assessment made through the walk through also confirmed this view. The provision of infrastructure features prominently as one of the main objectives of the UDP. In principle, with infrastructure in place, it should gradually become possible to carry on with housing improvements.

Figure 10 Footpaths



2) The presence of infrastructure has been influential in causing people to undertake housing improvements

Arguments for the provision of infrastructure and services are that they tend to influence housing improvements. Roads and pathways improve access, making it easy for people to haul their building materials, lighting helps in improving security, water and sewerage improve public health. The findings of the study concur with the literature in as far as infrastructure being influential in causing people to undertake housing improvements. All three people who have made certain improvements agreed that the provision of access roads by the UDP has motivated them to build. Previously it was impossible to bring in sand, crushed stone and other building materials to their homes. The local councillor and other community leaders, when interviewed, agreed that Msunduza has been over the years known for being a crime infested place but now that there is the high mast lighting, security has been improved.

3) There are serious disagreements over the status of the project whether it is complete or not because some major components were left uncompleted by Rumdel the contractor

According to official documents the project has now been completed. However there are serious disagreements over this as the residents argue that the project is not complete. Some footpaths, roads, and sewerage connections were not completed, making it difficult for them to engage in housing improvements. Even where the infrastructure is completed, around Mntulwini the sewerage system is already blocked with no one to maintain it because the toilet platform drainage systems were left open and children throw things in causing blockages.

Asked about the building of core housing as a result of the presence of infrastructure and services, the implementing agency stated that no core houses were built since the project was not for building houses. Instead, more residents were given opportunity to own plots, such as heads of households, offspring, widows, and elderly people resident within the neighbourhood. The study also found that the beneficiaries are contesting on moral grounds the application of the full cost recovery principle. The main tenet of the cost recovery principle is that beneficiaries are expected to repay the costs of development whether through rates and or tariffs, for improvements in citywide infrastructure and service provision. In

hindsight the aide memoir¹⁰ questions the morality of this principle being applied to the people of Msunduzu.

Concerning the status of the project here is what others had to say:

“The project may have brought considerable improvements in water, sanitation and some services but most of us subsist on incomes that permit only one meal a day, and there are serious problems with unemployment, disease, violence and drug abuse here. What project complete?”

This is one of the limitations that have been mentioned by most beneficiaries interviewed. It is also a point recognised at the official levels.

“Soft development issues suffered the consequences of competing for resources with high visibility infrastructure components.”¹¹

On the one hand SNHB has handed over the project to the municipality and the municipality has thus taken over levying rates at some properties because it is taken as a complete project, and yet the community leadership on the other hand, including the political leaders, ardently dispute this fact. They wonder how the project can be said to be complete when much infrastructure is still not in place as promised. As a result of the disagreements on the project status the municipality, the residents, and the SNHB have since agreed in principle to engage the services of a consultant to pinpoint missing items in the implementation of the infrastructure component of the project. Only human resources and finances are needed to start the process

5.5. Organising of building material

Two findings were made regarding this instrument: 1) No enabling environment exists in this aspect and 2) the application of the grade 2 standards is viewed by some beneficiaries as the perpetuation of the slum situation in Msunduzu because these building materials being allowed lack permanency.

1) No enabling environment exists in this aspect

The study observed that no arrangements were made for the people to get better deals from building construction material shops. The market principles apply. The most important principle of free market economy is that there is no such thing as a free lunch. That means any choice we make is followed by a corresponding opportunity cost. This means that the beneficiaries will have no choice but to compete with other more financially able people in purchasing building material. This may lower the pace of housing improvements because the building materials are very expensive and often poor people simply cannot afford them.

2) The application of the grade 2 standards is viewed by some beneficiaries as the perpetuation of the slum situation in Msunduzu because these building materials being allowed lack permanency.

However, the grade II building regulations do provide for lower standards in requirements for building materials. While the official level thinks this is enabling, three of the beneficiaries view the application of the grade II standards as the perpetuation of the slum situation in Msunduzu because these building materials, being allowed, lack permanency. The regulations allow the use of earth red bricks. Some beneficiaries feel these are not strong enough so will give them a problem late in life when they have no strength.

“It’s a way to keep us poor permanently. We want to build good strong houses whilst we are still working and have the strength”. An old woman of the area

¹⁰ Aide Memoir August 23, 2004-September 3,2004

¹¹ (source: annual report on UDP implementation 2004)

The application of the grade II regulations is in the spirit of enabling because it serves to remove the constraints to development of the poor households by allowing even the use of local building materials like creosoted poles and earth blocks. The only limitation is that the beneficiaries have to compete for the building materials with everyone in the city. There is no building material shop for low income people.

5.6. Policy and institutional framework

The study found that the reassignment of responsibilities between implementing agencies from the SNHB to the city council is now cause for confusion according to the beneficiaries interviewed

Findings

The implementation agency for this project is the SNHB and support agencies are the MBCC, SWSC, SEA, and partners include the Swaziland Building Society. However, there has been a change and reassignment of responsibilities. Reassignment of responsibilities between implementing agencies from the SNHB to the city council is now cause for confusion according to the beneficiaries interviewed. Some stakeholders are of the view that roles are not clearly defined at this stage. The community is confused as to who does what and when does city council come in and when the Swaziland National Housing Board does comes in. From the review of the project documents, particularly writings of Chris Banes, the study found that the location of the project implementation at the SNHB may have been an oversight since the constitution of the SNHB is to be a profit making entity and the Board is not answerable to the residents like the municipality. SNHB role was to be the government agent in the construction of infrastructure and the provision of services in the plot allocation process. Government participated in giving compensation payments due to the resettlement and financing citywide roads as well as sorting out property rights issues.

The policy regulatory framework is the Swaziland National Housing Policy. In terms of the policy, Government's role is to provide an environment that enables property markets to work. The enabling role is premised on the view that, given the freedom and opportunity in the context of an enabling environment, a significant number of low-income households will mobilise their savings and labour and build their own houses gradually over time. The policy promotes an enabling approach to housing provision. This means that the government of the Kingdom of Swaziland has embraced the enabling approach to housing as espoused by such proponents as the World Bank, Habitat and UNDP hence in terms of policy it is not expected to make direct provisions to improvement of people's housing situations but can only create an enabling environment.

Also, housing policy is championed in pursuit of non housing agenda. The study found that the integration of Msunduzi into the city system was done relatively quite abruptly. It is also recognized that upgrading of settlements should ultimately lead to the social, cultural and urban integration of the place into the city system. However if such integration is done abruptly without much clarity and explanations there is danger of resistance as is now being experienced in Msunduzi.

5.7. Disagreements on project status

Disagreements about project status exist at two levels, 1) there are too many versions of the UDP objectives and therefore disagreements exist even among the stakeholders as to what were the original project objectives, some saying the project was not for housing, in the first place, with others opposing this, and 2) the current status of the project, as to whether it is complete or not.

1) There are too many versions of the UDP objectives and therefore disagreements exist even among the stakeholders as to what were the original project objectives, some saying the project was not for housing, in the first place, with others opposing this.

Concerning the original project objectives, the views of the governmental implementing agencies (SNHB and MBCC) interviewees is that the project was not for housing in the first place but for upgrading, improving infrastructure and encouraging plot ownership, hence no obligation in the project to improve housing. The beneficiaries offer no comment in this matter claiming lack of proper information filtering through to the community in key issues. However project documents reviewed, including the Land and Housing Market Study and the resettlement plan-infrastructure removals documents, rejects the implementation agency assertion that the project was not for housing. Describing the project, the two documents give the objectives thus:

“The Urban Development Project (UDP) is a Government of Swaziland initiative intended to upgrade the Mbabane and Manzini low income urban and peri-urban areas. Its objectives are to:

- * Raise environmental and health standards amongst urban low income communities;*
- * mobilise community resources and encourage participation in development;*
- * promote investment in urban employment opportunities, and,*
- * improve the efficiency and equity of urban management (Euro consult 1993)*

The very first objective refers to environmental health. In conventional terms, environmental health concerns itself with improving food safety & nutrition, Housing conditions, the environment, and work place health & safety.

Also the government website lists the following as the project objectives;

Policy reform, Pilot land reform, Institutional development, Participatory development, Housing solutions for moderate and low income urban households, and Improved health and environmental standards in the project areas.

Another project document gives the two stated objectives:

a) to provide a basis for sustainable urban development through emphasis on policy reform, institutional development, pilot land reform,, participatory development, and housing solution for moderate and low income urban households, and b) to address critical infrastructure needs, (water, sanitation, waste disposal and roads). The objectives were set in the context of this project being the first phase of a long term programme aimed at increasing the delivery and effectiveness of urban management services and improving living conditions of low income urban households. Lastly, is the following stated mission of the UDP:

“The Urban Development Project is the first phase of a long term urban development program aimed at increasing urban management efficiency and improving living conditions of low income urban households by providing basic urban services and housing in Mbabane and Manzini the two big cities of the kingdom of Swaziland” (www.gov.sz: 12/08/2005)

Clearly, housing features as one of the key project objectives although a number of stakeholders were in disagreements with exactly what the project objectives were, because of the many versions of the project objectives. The problem with having many versions of objectives in the same project is that certain aspects then get less attention than others based on the understanding of each person in the project making sense on his own of what is more important than the other.

2) The current status of the project, as to whether it is complete or not.

It was the impression of the study that a lot of energy is wasted to justify certain positions by each side and thus causing delays in various issues. Nearly every beneficiary interviewed mentioned this.

5.8. Lack of knowledge, understanding and awareness on housing issues

Four key findings were made regarding this issue: 1) lack of vigorous communication and education about housing improvement, 2) knowledge gaps among the beneficiaries, impacting negatively housing improvements efforts, 3) general information asymmetry-information is not moving properly between stakeholders and beneficiaries. Some people know certain things which others do not know and vice-versa, and 4) knowledge gaps in a number of issues, such as, importance of housing improvements, homeownership investments, how to mobilise resources like borrowing from the banks, lack of micro planning knowledge, transferring property, how NGOs can help in housing, organising capacity, the 99 year lease, how to save for housing, lack of knowledge in permit procedures for formal building, and finally, the values of community participation and cooperation.

1) Lack of vigorous communication and education about housing improvement

Out of the seven key stakeholders interviewed, three agreed that lack of knowledge, understanding and awareness due to lack of vigorous communication and education about housing improvement has resulted in very little housing improvements and people not accepting the responsibility for housing improvements. On the other hand, 21 of the 35 beneficiaries cited lack of awareness as the cause. In the documents, it is an issue that is less highlighted. Astrand (1996) argues that maintenance and housing improvements requires continuous inspection, economic resources and knowledge. Housing improvements cannot occur unless the beneficiaries understand its importance even if all the other enabling environments are properly in place.

2) Knowledge gaps among the beneficiaries impacting negatively housing improvements efforts

Through talking to the beneficiaries during the walk through of the area and interviews, the study was able to identify several knowledge gaps among the beneficiaries that impact negatively on housing improvements efforts. Besides general information, asymmetry there was lack of technical knowledge to carry on incremental housing, lack of knowledge on the importance of housing improvements, homeownership investments, how to mobilise resources like borrowing from the banks, lack of micro planning knowledge, transferring property, how NGOs can help in housing, organising capacity, the 99 year lease, how to save for housing, lack of knowledge in permit procedures for formal building, and finally, the values of community participation and cooperation. Such gaps in knowledge have resulted in general feeling of the 'they' syndrome, a factor which denotes lack of project ownership. Also resistance to pay the plot price is there, because they do not understand why this should be done yet the project promises have not been fulfilled. Creating awareness in financial institutions of credibility of leasehold title is another knowledge gap.

3) General information asymmetry

Information was found not moving properly between stakeholders and beneficiaries, as each knows certain things which the other party does not know vice-versa.

5.9. Governance and operational inefficiencies

With regards to governance and operational issues, the study made five key findings: 1) roles clearly defined between MBCC and SNHB resulting in the community at this time having to

pay some monies, i.e. commitment fees to SNHB but rates and building application fees at the Mbabane City Councils, 2) bureaucracy not supporting speedy decision making, 3) some infrastructure is not usable, some services are not there and some infrastructure is inadequately maintained. Certain aspects still speak of slum area, for instance there is inadequate waste management, some residents have no portable water supply and houses are falling over, 4) inability to meet and maintain agreed upon time schedules and meeting of deadlines due to protracted negotiations with the communities, leading to the people losing steam to do any thing related to the project, and 5) now that the POFs have been disbanded there is more imposition in the relationship than partnership.

Figure 11 Toilet platform and one of the houses in poor state of repair



1) Roles not clearly defined between MBCC and SNHB

Roles between MBCC and SNHB are not clear to the beneficiaries, resulting in the community at this time having to pay some monies, i.e. commitment fees to SNHB and some to the Mbabane City Councils (rates and building application fees). Governance means rules, processes and behaviour that affect the way in which powers are exercised, particularly as regards openness, participation, accountability, effectiveness and coherence. From the key stakeholders, particularly the view of the implementation agencies comes blame for politicizing the project in that some influential people make empty promises, deceiving the people who then hate the IA's particularly in the issue of disabled and the elderly. They also admit that the roles are not clearly defined between MBCC and SNHB, resulting in the community at this time having to pay some monies, i.e. commitment fees to SNHB and some at the Mbabane City Councils (rates and building application fees).

The beneficiaries complain of lack of close cooperation between the two agencies. Ten of the beneficiaries indicated seeing elements indicating conflicting relationships between the two agencies instead of complementing each other. At community levels, there is jealousy. People do not want to cooperate when doing things, hence the *Nhlanyelo* where people applied individually it was possible to succeed but where there was a group quarrels would begin. There is also blame directed towards leadership not taking care of critical issues of the community and corruption. Although corruption was cited here, its argument was neither backed by solid grounds nor logic.

The documents revealed that the reassignment of responsibility from the SNHB to the MCC was a result of a governance problem which needed to be rationalised. The city council is answerable to the residents, yet the SNHB is only a body that is supposed to make profit and therefore not the correct people to undertake a project for low income people.

2) Bureaucracy not supporting speedy decision making,

There is also mention of bureaucracy not supporting speedy decision making. For instance although the agreement about pre-paid plans was that they would not be circulated through all the process, but would be short circuited within the city council, it is no longer the practice now. This means that monies generated for the purpose of making some housing improvements get used while waiting for the approved plan.

3) Some infrastructure is not usable. Certain aspects still speak of slum area, for instance there is inadequate waste management, some residents have no portable water supply and houses are falling over.

Concerning operational inefficiencies, one of the stakeholders interviewed mentioned that some infrastructure is not usable like there were blockages of the sewage lines already around Mntulwini. Certain aspects still speak of slum area, for instance there is inadequate waste management, some residents have no portable water supply and houses are falling over. Residents who have made improvements are let down by neighbours who do not afford proper drainage and let their dirty water to run on people's properties. Some residents despise the area because of the known crime rate. Some people actually left the area as soon as they received their compensation.

4) Inability to meet and maintain agreed upon time schedules and meeting of deadlines due to protracted negotiations with the communities

Also the documents mention inability to meet and maintain agreed upon time schedules and meeting of deadlines due to protracted negotiations with the communities, leading to the people losing the urge to do any thing related to the project.

5) Now that the POFs have been disbanded there is a feeling that the relationship is more of an imposition than a partnership.

Elements seen also instead of partnerships between the community and the implementation agencies, the relationship is changing now that the POFs are no longer there to a situation where there is more of imposition than partnership as in the case of the rates.

5.10. Summary of main obstacles to housing improvements

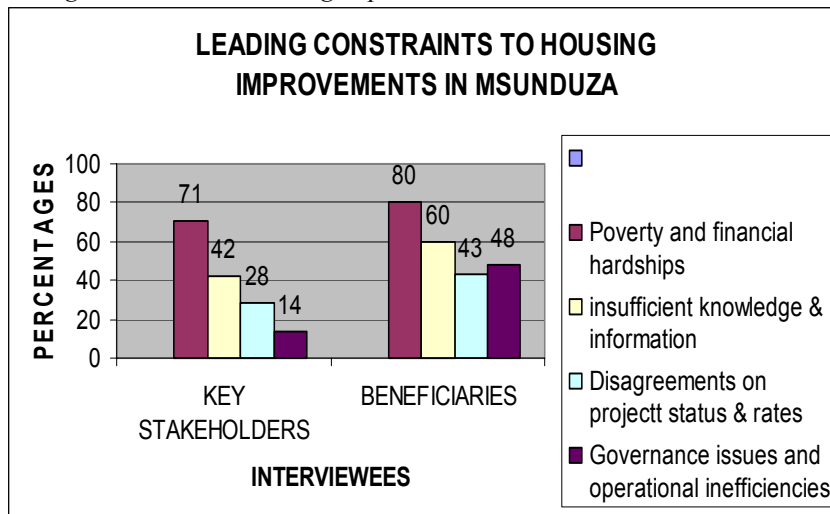
This section discusses the reasons for lack of housing improvements in Msunduzi according to the interviews conducted. Four reasons were cited as the main reasons why housing improvements were not taking place in the project area according to the key stakeholders, the beneficiaries and project documents. These can be classified as Poverty and finances, inadequate knowledge, disagreements on project status, operational inefficiencies and governance issues.

Table 4 Leading Constraints to Housing Improvements

Housing improvement constraints	Key stakeholders interviews n=7	Beneficiaries interviews n=35
Poverty and financial hardships	5 (71%)	28 (80%)
Insufficient Knowledge & information asymmetry	3 (42%)	21 (60%)
Disagreements on project status and rates	2 (28%)	15 (43%)
Governance and operational inefficiencies	1(14%)	17 (48%)

The table above shows that poverty and finance related constrains are the leading causes for not undertaking housing improvements. Notwithstanding the considerable economic differentiation within each of these neighbourhoods, poor economic status was found to be the major constraint. As can be seen in the above table out of the 35 beneficiaries interviewed 28 mentioned lack of money as their main constraint to housing improvements. Out of the 7 key stakeholders interviewed 5 concurred with the beneficiaries that poverty was the constraint. The documents also cited financial matters being the problems hindering housing improvements

Figure 12 Leading Constraints to Housing Improvements



This figure portrays most constraining factors as perspective of the beneficiaries and key stakeholders is poverty and financial hardships. The implementing agencies and government may provide all the enablers but successful housing improvements lie in the household’s financial status. Housing improvements are mediated by the amount of resources available to the households. Household without stable incomes are less likely to improve their houses.

5.11 Housing Conditions- Msunduzu.

This section gives findings on the question “*Are there any housing improvements occurring in the project areas and if so what are they and how do those who succeed in making some housing improvements achieve it?*” The walk through analysis was used to answer the above question. This question was important in this study because raising the environmental health standards is one of the principal objectives of the UDP.

5.1.11.1. Occurring Housing Improvements

With regards to occurring housing improvements five key findings were made 1) 15-20% of the beneficiaries have made housing improvements, 2) The housing stock is old and in poor state of repair, 3) The housing improvements that are occurring consists mainly of demolish and rebuilding of the house structure, upgrading of walls and addition of rooms 4) there is a poor environmental health situation, 5) all the improvements that have occurred are due to some loan borrowing. Most borrowing is from the *Nhlanyelo* Fund (66%) and Swaziland Building Society (SBS) (17%).

1) 15-20% of the beneficiaries have made housing improvements

The study found that about 15-20% of the beneficiaries have made housing improvements or extensions to their households. But the positive thing is that at least in every area within the project there is some building going on. This leaves about 80% of households whose housing conditions have not been improved and some of which are in worse state of repair.

Figure 13 *Some housing improvements occurring in the area*



2) The housing stock is old and in a poor state of repair

The housing stock is mostly stick and mud and the settlement is generally very dense with virtually no open spaces. Roofing is 99% corrugated iron although some roofing sheets are quite dated and there were cases where leaking roofs were reported. Very few houses are roofed in tiles. Toilet platforms for the starter toilet remain unbuilt, instead beginning to clog up. A number of homesteads were found with problems of full pit toilets. Access footpaths are too steep to allow haulage of building materials. Old people have difficulties climbing some of the footpaths around Mntulwini. Some homesteads are virtually impossible to reach by car.

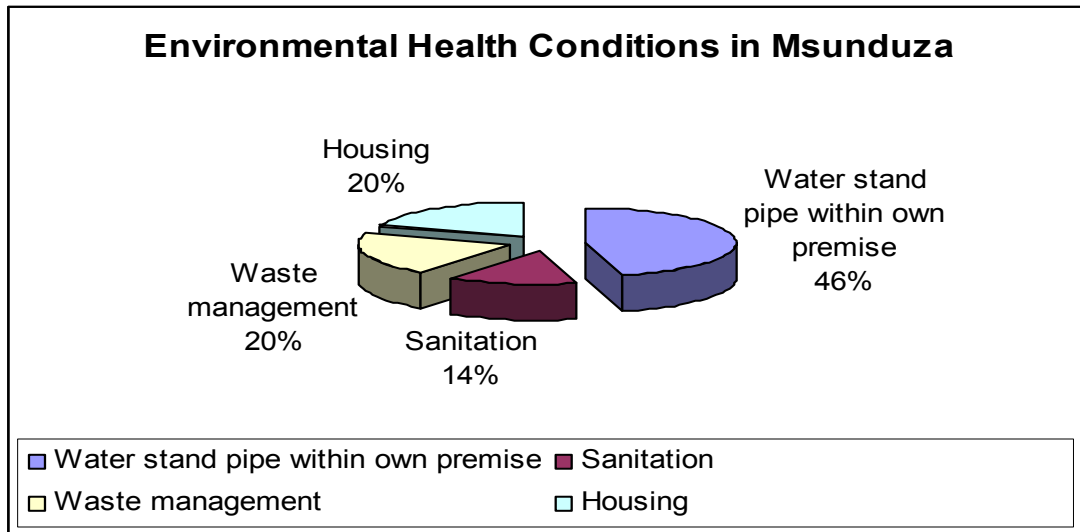
3) The housing improvements that is occurring consists mainly of demolish and rebuilding of the house structure, upgrading of walls and addition of rooms

This means to undertake the job one requires a lot of money since dealing with old housing stock is very expensive. It is not the same as like just patching up a small window wall but means having to start building almost all over again.

4) Environmental Health Situation is substandard

From the walk through the project area the following rating was reached on the status of the environmental health situation in Msunduzi based on the 15 households visited and interviewed during the walk through analysis.

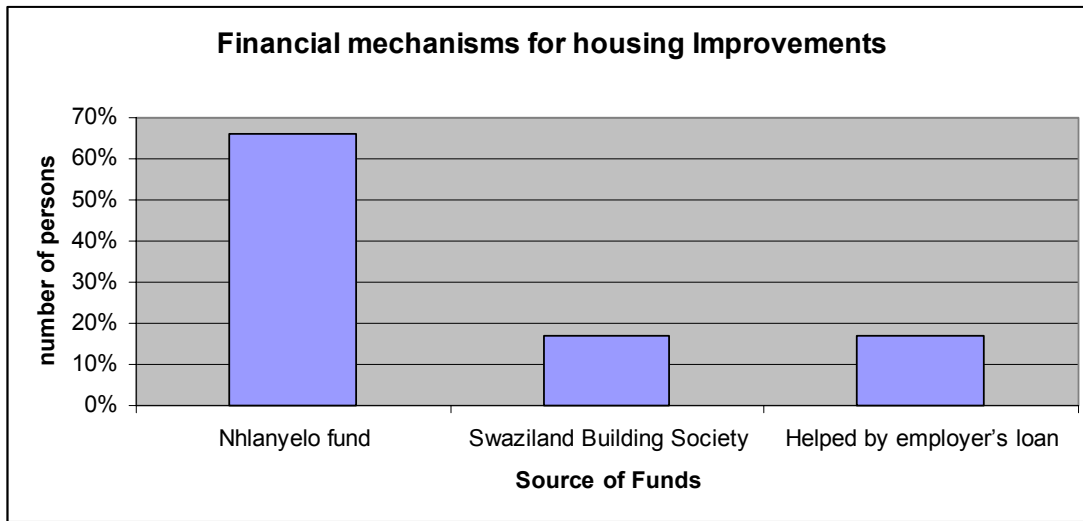
Figure 14 Environmental Health Situations in Msunduzi



5) All the improvements that have occurred are due to some loan borrowing

The 6 people who were found to have undertaken certain housing improvements were interviewed during the transect walk of the project area. The findings both from the walk through analysis and interviews are that the financial mechanisms employed by the households to undertake housing improvements consist of the following: rental housing money, own savings for those working, help from working children, own pension money, *Nhlanyelo* fund, loan from the Swaziland Building Society and employers subsidies, rental housing money and money from selling local brew.

Figure 15 Financial mechanisms being utilised to achieve housing improvements



What is important is that almost all the improvements that have occurred are due to some loan borrowing. Borrowing is either from the Swaziland Building Society (SBS) or from the *Nhlanyelo* Fund¹². Records from Member of Parliament in the area revealed that from the entire community only five people had borrowed from the SBS. Yet from the *Nhlanyelo* fund 125 residents from the project area alone had borrowed money to undertake small works connected to improving their housing situations. The *Nhlanyelo* fund was found to be the most innovative and popular source of funding in the whole community. However its only disadvantage was that it is a micro business oriented fund whose application in the urban housing field is actually misplaced. Its sustainability is suspect because *defacto* political orientation.

The enabling approach promotes the developing mortgage finance by creating health and comparative mortgage lending institutions and fostering innovative means for greater access by the poor. It reveals that, given the opportunity, people are able to borrow as long as the borrowing qualifying requirements are relaxed, such as in the *Nhlanyelo* Fund. In the *Nhlanyelo* Fund key features are low minimum loans of E500, no legal enforcements or foreclosures imposed in case of non payments, no security needed to get a loan, loans can be applied for by individuals, flat interest rate (15%) over the entire loan period. Beneficiaries must undertake to pay the loans to get the fund recapitalised, access to the loans is through local community leaders who give the recommendation. Repaid capital plus any surplus funds after operating expenses are loaned out again in the same community. The MP revealed the fact that the Fund's operations for towns had to be modified to cater for housing, since it was not easy for low income people to start micro businesses, because of the town requirements of licensing, permitting lease agreements for hiring premises and so forth. The employer's contribution as well as rental housing income was found to be the other important sources of income for financing housing improvements.

¹² *Nhlanyelo* fund is a loan capital fund to promote viable micro projects in the informal "grassroots" business sector in the four regions of Swaziland. Its important features are –low minimum loans of 500, no legal enforcements or foreclosures imposed in case of non payment, no security needed to get a loan, can be applied by individuals, attract flat rate interest over the entire loan period, but beneficiaries must undertake to pay the loans to get the fund recapitalized, access to the loans is through local community leaders who give recommendations. Repaid capital plus any surplus funds after operating expenses are loaned out again in the same community.

Figure 16 Pictures depicting the stick and mud Housing conditions in Msunduzi



CHAPTER 6 CONCLUSIONS AND RECOMMENDATIONS

6.1. Conclusions

This chapter presents the conclusions made in this study. The conclusions are drawn from the research findings appearing in Chapter 5 of this report and also from the answers arrived at from the research questions. The findings have shown that in spite of considerable enabling being in place in areas such as mortgage finance, security of tenure and institutional frameworks, the beneficiaries still are finding it difficult to initiate housing improvements and only miniscule housing improvements have been undertaken by the project beneficiaries. The reasons for the difficulties were all linked to obstacles emanating from each enabling instrument, but in general, the fact is that there is too much reliance on the instruments and upon individual responsibility for housing improvements, with disregard to the socio-economic situation of the beneficiaries.

The primary obstacles to housing improvements were found to be: fear of paying rates, the controversy surrounding the 99 year lease, unmet credit needs of the beneficiaries, the precarious socio-economic status of the beneficiaries, disagreements over status of projects, confusing institutional responsibilities, lack of vigorous communication and education about housing and problems virtually surrounding each one of the enabling instruments.

Taking all the above elements into consideration, the study concludes that the obstacles revolve around five critical issues associated with the way the enabling strategies are applied, that is: poverty and finances, inadequate knowledge, disagreements on project status, operational inefficiencies and governance issues. The study concludes that unless these obstacles are removed, the beneficiaries will continue finding it difficult to undertake housing improvements, and at worst, housing improvements will not occur in Msunduzi and the place will deteriorate to its previous slum condition.

From the financial and poverty standpoint the study concludes that this issue is related to both the beneficiaries and the monetarist nature of the project. On the one hand the people are in a poor socio economic situation and yet the nature of the project is monetarist in nature, emphasising cost recovery, market principles and disregarding the precarious socio-economic situation of the people. This constrains the people to such an extent that undertaking meaningful housing improvements becomes very difficult.

The accessibility to housing finance offered by the Swaziland Building Society for these poor has been examined during the course of the study and a conclusion is reached that the majority of the low income households in this area are unable to participate in this housing finance in order to improve their housing conditions.

On the other hand, the borrowing from Nhlanyelo fund by a majority of the beneficiaries that have undertaken some housing improvements and the carrying out of some improvements by certain beneficiaries (15-20%), serves as a reflection of the people's willingness to borrow for the purposes of improving their housing situation. It also gives hope that given low interest loans and pro poor credit conditions with some form of technical assistance, awareness and obligating, people can indeed grasp the opportunity, borrow some small loans, and invest in their houses.

Concerning inadequate knowledge, the study concludes that, because of lack of vigorous

communication and education about housing improvement, problems with information not moving properly between stakeholders and beneficiaries, general knowledge gaps exist among the beneficiaries on a number of issues, i.e. Importance of housing improvements, rights and responsibilities as homeowners, what the 99 year lease actually means, what is needed to obtain loans, how and where to go about that. Unless these are addressed, these issues will continue impacting negatively on housing improvements in the project area. The 'they' syndrome, a factor which denotes lack of project ownership, which was found quite dominant in the area, will continue.

Disagreements on key project issues are another area that was found to have profound influence on the willingness of people to undertake housing improvements. People disagree on whether the project is complete or not, on whether the 99 year lease is transferable or not and on the reasons for paying rates. For instance, resistance to pay the plot price is there. Beneficiaries do not understand why this should be the case since municipal services are not there yet. While there may be something to the argument, a clear explanation of what rates are for could clear the disagreements. Differences can inhibit progress, which further complicates communication required for positive action. In view of the disagreements, the study concludes that part of the problem pertaining to the obstacles is informational in nature. Hence, the study concludes that unless all parties are well informed about all the issues involved, it will be unlikely that the beneficiaries carry out housing improvements in an atmosphere of uncertainty.

Regarding governance and operational issues, the study made findings that: the roles are not clearly defined, bureaucracy does not support prompt decision making between MBCC and SNHB, some infrastructure is unusable and the environmental health situation is generally substandard. The main problem with the SNHB was that it operates from a profit perspective. From this perspective, there is a danger of being insensitive to the needs of poor people. The study concludes that underpinning any successful housing improvement efforts is the need for well functioning infrastructure and working within clearly defined bureaucratic structures, operating from pro poor perspectives rather than from a profit perspective.

An assessment by the study of all the seven enabling instruments being applied in Msunduzi revealed that almost all enablers were beset with problems. Consequently, it is the conclusion of this study that the enabling strategies as applied are ineffective in benefiting the poor. The results have shown that in spite of considerable enabling from the standpoint of affording the people security of tenure, infrastructure and services, still housing improvements are disappointingly low. The conclusion is that, in reality, enabling concepts do not often work as the theory predicts and as a theory it is not without weaknesses. The context within which they are applied is of critical importance in determining the success and failure thereof. For instance, even if enabling instruments are applied correctly they become unworkable if applied with disregard to the socio-economic situation of the beneficiaries. In dealing with impoverished communities, it defeats logic to trust instruments that are dependent on the market because markets can be unstable and unpredictable. In a situation of such extreme challenges, the complexities involved in upgrading low income settlements where very poor people live, demonstrate that the standard enabling approach, by itself, is not sufficient to stimulate housing improvements. The many limitations imposed by the dire poverty are both fiscal and informational in nature. These demand new financial and educational answers and opportunities to help the beneficiaries succeed.

Concerning the nature of the enabling strategy, and taking into consideration the fundamentals of the enabling approach, it is clear that the application of the approach in Msunduzi had serious flaws and missed a number of the key fundamentals for success of an enabling strategy. The study concludes that the degree of awareness, motivation, information exchange, support and empowering is minimal; hence the enabling instruments become ineffective and unworkable. Secondly, enabling is about setting boundaries, supporting and relinquishing control. The study concludes that the model of enabling in Msunduzi put a lot of effort into setting of boundaries, (although failure to obligate housing let them down), and relinquishing control to market forces. Furthermore, the beneficiaries are largely left to improve their situation on their own, trusting in the market. Sadly lacking is the giving of support, hence very low housing improvements taking place.

The view from the government is that it has done its part by providing the infrastructure and services and that the solution now lies more with the people themselves. However, the study concludes that more enabling is required. The government's role does not end with providing infrastructure and 99 year leases. It is still required for support, whether directly or indirectly through some intermediaries. Requisite, are financial resources for the poor people who are unable to mobilise enough finances needed for their housing improvements. Even if opportunities exist, impoverished people require certain coordinating institutions, such as an NGO, that will empower them and channel them to opportunities while at the same time imparting to them the necessary knowledge about issues affecting them

Housing improvement activities requires support and understanding of many actors. Whilst there is understanding on the part of government and the local government, however the support of other actors is critically missing. One understanding is that government cannot do all. She has her own limitations in terms of human resources, financial, technical and problems of continuity. If government does not realise the need for long term support through which individuals and community organizations can identify and act upon different deprivations, housing improvements will be hindered even with some form of enabling and the organisations will find it difficult to operate without government support. The support may be policy, legislative and financial in the form of capital grants and or subventions.

Besides being limited by resources, coordination, knowledge and the low priority given to housing improvements by the implementing agencies, the Msunduzi model of enabling is inappropriately missing one critical element. That element is the participation of an external agency other than government agencies that may be more effective in mobilizing housing finance and many other forms of housing related services which government bureaucracies cannot effectively provide. An institutional actor is needed to fill this gap and all actors in Mbabane must help to develop it. Almost all the enabling instruments had aspects that were prohibitive to the private efforts of beneficiaries to carry on housing improvements.

Consequently, the study concludes that if other actors may be brought in such as NGOs and CBOs, they can fill the gap left by the government agencies, particularly in the area of micro credit needs of beneficiaries, awareness raising, empowerment, support and micro-planning. Thus, they can help to facilitate initiatives for housing improvements. In essence, the study concludes that the Msunduzi case misses the very first two key elements of enabling as originally conceived in 1987, Vancouver, Canada, during the International Year of Shelter for the Homeless; namely the notion that there should be creation on the part of the public sector of incentives and facilitating measures for housing action to take place to a greater degree by

other actors, and that the full potential and resources of all actors in the shelter production and improvements have to be mobilised.

6.2 Recommendations

Background to the recommendations:

Conclusions reached by the study are that the application of the enabling strategies in Msunduzi has been characterised by a number of flaws, most notably the absence of other actors like the NGO and CBO in housing production, the inability of the existing financial institutions to meet the credit needs of beneficiaries in order to take loans for housing improvements, people incapacitated to take advantage of enabling instruments due to lack of awareness and knowledge, insufficient housing awareness and knowledge, no use of public resources to catalyse the action taken by other actors, failure by the municipality to act appropriately in setting the boundaries by obligating housing improvements in terms of the lease and municipal regulations, and abrupt integration of the beneficiaries into the municipal regulatory framework.

These limitations all point to one issue. That is, an enabling gap exists in Msunduzi in the form of support, the unmet credit needs of the beneficiaries, housing awareness and technical assistance.

Recommendations

To fill this gap, the study recommends an institutionalised support for housing improvements. Institutionalised support means in the most basic terms, government and other actors should as a matter of priority facilitate the establishment of a housing NGO that can work with the community and the municipality to mobilise financial resources from international and local donors including the World Bank, itself, for housing improvement projects of the beneficiaries. Donor assistance will be particularly crucial to support this process. The NGO could then be in a position to run a micro finance scheme and provide grants for community works projects, individual loans, advice, support and training as well as technical assistance for housing improvements, with the goal to improve the physical and socio-economic condition of families living in poor communities, starting with Msunduzi as a pilot study area. Capitalisation of the fund should come from the government, the municipality and international donor community. The NGO will also give technical assistance to those taking out housing improvement loans and also be involved in awareness-raising about housing improvement issues. In order to be sensitive to the socio-economic situation of the people the micro credit scheme could have the following elements: low minimum loans of say US\$50, no security needed to get loan, can be applied for by individuals, attractive flat interest rate over the entire loan period, and beneficiaries must undertake to pay the loans to get the fund recapitalised.

Set up fully fledged housing improvement programme within the municipality. The role of this will be to carry on awareness raising activities and obligate housing improvements in the area. Awareness-raising in the context of urban development will primarily be about raising the people's understanding of the importance of housing issues and the connection between them and the potential actions that can make a difference. Information and its analysis and communication are a vital input to awareness-raising.

As can be seen, the model will have four role players namely the municipality, the government, the new housing NGO and donor community.

Table 6 *Proposed Institutionalised Support for Housing Improvements.*

Enabling Criteria	Government	Municipality	Housing NGO	Donor
Give out loans at subsidized rates			❖	
Support	❖			
empower			❖	
Obligate housing improvement and enforce 99year lease		❖		
Seed funds	❖		❖	❖
Housing knowledge imparting		❖	❖	
Technical assistance			❖	❖
Resource mobilization			❖	
Coordination			❖	
Housing improvement policy/agenda or project	❖	❖		
Coordination			❖	
Creating an enabling environment/ policy	❖			
Facilitate establishment of NGO	❖			❖

Housing improvement for low income people is a complex affair and requires a combination of not only necessary policy and capital but also partnership and the active participation of all relevant actors. The reason is that as can be seen governments no longer have big impacts in housing anymore. Under the enabling approach the government's role is severely limited. Housing improvements is often taken for granted and slowly housing issues disappear from many national strategies and international development agendas.

This must be taken into account in creating new ways to help people out of poverty in low income urban settlements. The table above summarises my concept of institutionalised support for housing improvements which this study considers to be an enabling environment that has the potential to stimulate housing improvements by low income people. Underlying the enabling theory is the notion that actual housing improvements still remain the responsibility of the households. That is why the households are not placed as one of the actors in the matrix. In institutionalised support for housing improvements the actors will assume the following roles:

Government: the role of government would be to facilitate the establishment of the NGO, make capital contribution to the seed funds for the low interest loan schemes run by the new NGO, and provide the institutional legal and policy framework to make it possible for the actors to function properly.

Municipality: would be to facilitate establishment of the NGO, provide the logistical framework for its operations such as initial office space, enforce the building regulations and 99 year leases, ensuring building and planning control, carry out housing education and training in collaboration with the NGO. Establish a housing improvement programme with funds within the municipality to carry out specific housing improvement projects, maintain the infrastructure and services collect property tax,

New Housing NGO: mobilise financial resources, run a micro finance scheme and give out loans at subsidized rates, give advice, support and training as well as technical assistance for housing improvements, influence policy at local levels, promote saving among low income people.

Donor community: facilitate establishment of the NGO, technical assistance, seed funds for the establishment of the micro credit scheme and initial administrative costs of the NGO.

6.3 Future research

The research has managed to put forward a hypothesis for future in-depth investigation through identifying the various points of views of stakeholders. There is need for in-depth research on each of the enabling elements. (Finances, secure tenure, subsidy, infrastructure and services, building materials, institutional frameworks etc.)

There is need for further research on the potential of NGOs in facilitating effective enabling strategies to benefit low income people in Swaziland or the potential for organised self help housing in Swaziland.

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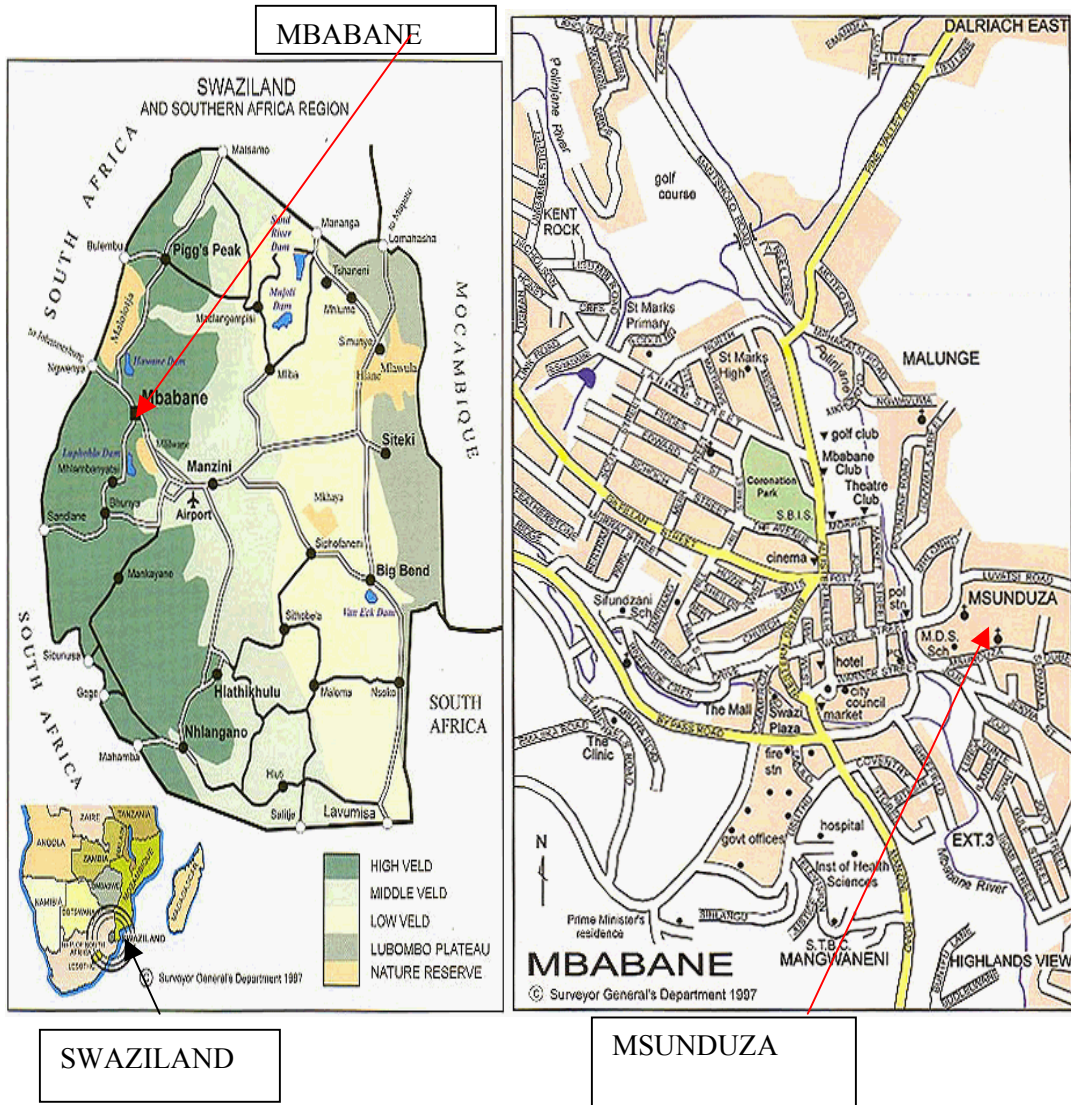
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Appendixes

Appendix 1 Map of Swaziland and Mbabane City showing Msunduzi project area



Appendix 2 Interview guide for stakeholders

(A) Government - (target 1 person)

(B) Swaziland National housing Board (target 1 to 2 persons)

(C) Project Coordinating Unit (PCU) (target 1 person)

(D) The Municipality (target 1 to 2 persons)

(E) Community leadership (target 7 persons to include the MP, Councilor, Zone leader, 4 x Project Outreach Facilitators)

Themes and issues from the literature review	Necessary data/ questions	Comments/quotes
General issue for every one (the understanding that it is now expected that people start building incrementally)	Why there is no housing improvement after the completion of the project? What are the key challenges?	
Modalities & issues around housing improvements (how you go about it repairing & extending houses etc	<p>Does legislation allow incremental housing? (municipality)</p> <p>Who gives technical advice on how to do improvements? (All)</p> <p>Conventional and non conventional construction methods in housing (municipality)</p> <p>How long are beneficiaries expected to retain their temporary structures after which they will be required to build permanent structures with established building construction regulations?(municipality)</p> <p>What do you understand by housing improvement? (e.g. ripping off old corrugated iron sheets and putting new roof, putting a new floor, extending for small spaza shop or bedroom) (All)</p>	

	<p>What factors contribute and encourage investments in housing construction and improvements in low income areas? (all)</p> <p>Which category of people between the owners and no owners are with the worst housing conditions?(all)</p>	
Financial	How do people get income? If no income how do they make ends meet?(community leadership)	
Financial	Are people saving? (community leadership)	
Financial	Do people borrow from banks? If not why? Is there general fear among the people for taking loans from commercial banks? (community leadership)	
Financial	History of payback. Rental –do people ever fail to pay? If they do how the one owed does finally get the money? (community leadership)	
Financial	Any informal micro lenders in the community? Shylocks etc (community leadership)	
Social participation	<p>How is social participation? For some urban dwellers, the neighborhood is a socially irrelevant construct.</p> <p>(all) many of the most serious environmental problems afflicting poor urban dwellers have a neighborhood Dimension, and require an organized response. Is this true for housing? (all)</p>	
	Who participates in community	

	affairs? Level of community participation, (The community idea as similar to togetherness, homogeneity, or shared views on common destiny is quite alien to the reality of the area. Is this true for Msunduza? Who seem disinterested? Why? (community leadership)	
Social participation	Is there interest in cooperation? Have you experienced anywhere where you have succeeded as a result of community collective efforts? Any experience with working as a group? (community leadership)	
Social participation	What motivates people in Msunduza to participate? (community leadership)	
Social participation	On what do people normally participate (community leadership)	
Social participation	Any partnerships e.g. NGO, GVT, SNHB etc are there complementary housing NGO and CBOs in the project areas? (ALL)	
Social participation	Any capacity development efforts as part of the project for housing improvements (ALL)	
Social participation	Experience with community based planning and development, supporting each other, cooperative spirit, lending each other money, pooling resources etc? (ALL)	
Social participation	Is there an institutional framework that encourages people to participate? (ALL)	
Social participation	How are these governance issues	

	in the community, transparency, subsidiarity and accountability entrenchment? (ALL)	
Social participation	Do you think it is important that a place for joint activities is required as a place of togetherness that would contribute to the spirit of community? What else do you think could develop the spirit of community? (community leadership)	
Public Health issues	Externalities in housing General health data (respiratory diseases, drugs, AIDS, elderly, diarrhea etc) (MUNICIPALITY-PHU)	
Role of stakeholders	What is the perceived role of the municipality/government? & other stakeholders? What enabling environment is required to stimulate housing improvements here? . An enabling policy environment for an activity allows, empowers and supports this activity but leaves it to happen by itself, by its own rationale, using its own information and managing its own resources to achieve its own end. How can the concept of enabling be extended to support the housing improvement process (GVT, Municipality)	
Role of stakeholders	Role of friends/relatives/informal money lenders Role of beneficiaries in housing improvement/ sweat equity etc (All)	
Role of	How do you suggest the roles	

stakeholders	could change to support housing improvement efforts (all)	
Role of stakeholders	Now that the project is complete what do you conceive to be your responsibilities? Are you ready to do your part? What are your main constraints in doing your part? What form of assistance do you think you need? Of these responsibilities which do you do easily without any obstacles? (all)	
Infrastructure and services (roads, pathways, sewerage, water, lighting etc)	What are the benefits of improved infrastructure to the beneficiaries? Do these benefits reach those in need? Has the infrastructure and services in the project resulted in the building of core houses and reduction of rental activities? (all)	
Stigma of living in slum area	If people could have money enough to build a beautiful house where would they build? And why? (community leadership) Are some people still lacking in any one of the following (water, sanitation, sufficient living area, structural quality and durability of your house, lack security of tenure? (community leadership) Do banks view the place as worthy of their mortgage loans? (all) Do people feel that the status of their area has improved now that the project is over.	
Requisite competences	Municipality (do you think you have the following competences-	

<p>expected of the stakeholders in housing improvements</p>	<p>tolerance, partnership and learning to trust communities, giving technical expertise, capacitating. (Any feeling of being threatened as to their legitimacy? (municipality)</p> <p>Community (use of sweat equity, borrowing tradition from lenders for own development)(community leadership)</p> <p>NGOs (being able to establish micro lending schemes for the poor & micro planning) (all)</p>	
<p>Perceptions of needs of the stakeholders and non housing agenda issues</p>	<p>What needs do you think the project fulfilled for the various stakeholders Were those needs housing or non housing (PCU)</p> <p>Have these needs changed now? (all)</p> <p>Do these needs considerations extend beyond pre-occupancy stage of the housing process? (all)</p> <p>Needs of dwellers are they housing or something else at this moment? (all)</p>	
<p>Property rights, titling and policy</p>	<p>How does the payment of commitment fees help? (SNHB)</p> <p>Is it easy to get the titles for land, how many people have been issued with titles right now? (SNHB, MUNICIPALITY, Community leadership)</p> <p>Are there any fears about these? (fear of paying taxes etc)(all)</p> <p>Any feelings of being safe from evictions even without proper title deed? (community leadership)</p>	

	<p>Can people sub lease freely, sell, and move on to other residential areas? (all)</p> <p>What restrictions do people have now than before upgrading? (all)</p> <p>Now that people have title do they feel motivated in any way to improve their housing? If not why not? (community leadership)</p> <p>What do you consider to be the key things that can encourage people to improve their housing situations? (all)</p>	
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Appendix 3 Interview schedule: Beneficiaries category

(A) residents/owners beneficiaries - (target 10 males ----- , 10 females-----)		
(B) residents/owner’s male child above 18 years beneficiaries (target 20-----)		
(C) renters/now beneficiaries who have rented same premise over 10 years (target 20-----)		
(D) Non beneficiary i.e. renters less than two years and female residents children (target 5-----)		
Themes and issues from the literature review	Necessary data/ questions	Comments/quotes
General issue for every one (the understanding that it is now expected that people start building incrementally)	Why there is no housing improvement after the completion of the project? What are the key challenges/obstacles?	
Modalities & issues around housing improvements (how you go about it repairing & extending houses etc	What does housing improvement mean to you	
Financial	How do people get income? If no income how do they make ends meet?	
Financial	Are people saving?	
Financial	Do people borrow from banks? If not why? Is there general fear among the people for taking loans from commercial banks?	
Financial	History of payback. Rental –do people ever fail to pay? If they do how the one owed does finally get the money?	
Social participation	How is social participation?	

	Who participates in community affairs? Level of community participation, (The community idea as similar to togetherness, homogeneity, or shared views on common destiny is quite alien to the reality of the area. Is this true for Msunduza? Who seem disinterested? Why?	
Social participation	Is there interest in cooperation? Have you experienced anywhere where you have succeeded as a result of community collective efforts? Any experience with working as a group?	
Social participation	What motivates people in Msunduza to participate?	
Social participation	On what do people normally participate	
Social participation	Any partnerships e.g. NGO, GVT, SNHB etc are there complementary housing NGO and CBOs in the project areas?	
Social participation	Any capacity development efforts as part of the project for housing improvements	
Social participation	Experience with community based planning and development, supporting each other, cooperative spirit, lending each other money, pooling resources etc?	
Social participation	Is there an institutional framework that encourages people to participate?	
Social participation	How are these governance issues in the community, transparency, subsidiarity and accountability entrenched?	

Social participation	Do you think it is important that a place for joint activities is required as a place of togetherness that would contribute to the spirit of community? What else do you think could develop the spirit of community?	
Role of stakeholders	What is the perceived role of the municipality/government? & other stakeholders?	
Role of stakeholders	Role of friends/relatives/informal money lenders Role of beneficiaries in housing improvement/ sweat equity etc	
Role of stakeholders	How do you suggest the roles could change to support housing improvement	
Role of stakeholders	Now that the project is complete what do you conceive to be your responsibilities	
Infrastructure and services (roads, pathways, sewerage, water, lighting etc)	What are the benefits of improved infrastructure to the beneficiaries? Do these benefits reach those in need?	
Stigma of living in slum area	Now that you are upgraded would you still say you are living in a slum area? If could have money enough to build a beautiful house would you build it here? Are you still lacking in any one of the following (water, sanitation, sufficient living area, structural quality and durability	

	<p>of your house, lack security of tenure?</p> <p>Do banks view the place as worthy of their mortgage loans?</p>	
<p>Requisite competences expected of the stakeholders in housing improvements</p>	<p>Municipality</p> <p>Community</p> <p>NGOs</p>	
<p>Perceptions of needs of the stakeholders and non housing agenda issues</p>	<p>What needs do you think the project fulfilled for the various stakeholders Were those needs housing or non housing</p> <p>Have these needs changed now?</p> <p>Needs of dwellers are they housing or something else at this moment?</p>	
<p>Property rights, titling and policy</p>	<p>How does the payment of commitment fees help?</p> <p>Is it easy to get the titles for land, how many people have been issued with titles right now?</p> <p>Are there any fears about these? Any feelings of being safe from evictions even without proper title deed?</p> <p>Can people sub lease freely, sell, and move on to other residential areas?</p> <p>What restrictions do people have now than before upgrading?</p> <p>Now that people have title do they feel motivated in any way to improve their housing? If not why not?</p> <p>What do you consider to be the key things that can encourage</p>	

	people to improve their housing situations?	
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Appendix 4 Recommendations Matrix short to medium term solutions

Enabling Instrument	Constraints	recommendation
Property rights	Rates	Vigorous awareness raising and education of community about rates
	99 years lease	Sort out transferability of the leases such that people can sell
Mortgage finance	Most beneficiaries do not qualify for credit	Seek other forms of low interest schemes consider an NGO for mobilizing better deals
	Monetarists approach	Find new financial options and revise notion of full cost recovery though plot sales
	Curtailed source of income due to small plot size not allowing rental house construction	Within the confines of the regulations allow rental housing for beneficiaries to be able to get some income
Regulating land and housing development	Plan approval delays	Revert to the original plan of short circuiting the plan approval processes.
	Not obligating housing improvements	Obligate housing improvements and enforce the building and Public Health Regulations
Rationalizing subsidies	Beneficiaries not being honest about their affordability	Conduct an affordability study
Infrastructure and services	some infrastructure and services incomplete-causing disagreements	Complete the infrastructure left incomplete by Rumdel and provide services
	infrastructure maintenance inadequate	Maintain the infrastructure particularly the sewage line from toilet platforms which are now clogging up
Organizing building materials	Competing with all income groups for costly building materials	Consider buying materials in bulk
Policy and institutional framework	Integration of area into city system relatively done abruptly	Introduce the area gradually into the city system through education and training

