HOUSING PROVISION IN AN ENVIRONMENT OF RAPID URBANIZATION: A CASE OF UGANDA

Stephen Mukiibi (PhD)
Associate Professor
smukiibi@cedat.mak.ac.ug/ smukbs7@gmail.com
Telephone: +256-752696157
Department of Architecture and Physical Planning
Makerere University, Uganda
P.O. Box 7062 Kampala

Abstract

In recent years, Uganda has experienced unprecedented urbanisation. Accessing decent shelter in such an environment is a challenge that urbanites in the country, especially low and middle income earners experience on a regular basis. The paper reviews recent strategies by Government of Uganda to address the housing problem in the country amidst rapid urbanisation. The work is based on extensive literature review and retrieval of archival documents. The paper highlights the benefits and challenges of urbanisation in general, and then outlines the trends of urbanisation in the context of Uganda, covering its impact on housing in the country. The paper concludes with a discussion of the strategies so far taken in Uganda in recent years to address the housing deficit in the country. This study intends to inform Government of Uganda and other stakeholders some of the issues to consider towards achieving sustainable solutions to housing supply in the country.

Key words: Housing supply, Adequate decent housing, Housing deficit, Housing market.
1.0 BACKGROUND
Housing is one of the indicators of economic development of a country. Housing has a number of economic benefits. Getting the right housing is essential to attracting and retaining a skills base to encourage inward investment. Housing investment in of itself can be a powerful driver of local economic activity. Aligning strategies for housing and economic development enhances efforts to address deprivation (Glossop, 2008).

On the other hand rapid urbanisation, especially when not planned for, comes with a number of challenges some of which include, the growth of slums, substandard and sometimes unaffordable housing, overcrowding, poor living standards, overstretching of existing infrastructure and services, increasing crime and street violence, pressure on transportation and infrastructure (UN-Habitat, 2016; Aluko, 2010; Malik and Wahid, 2014).

With rapid urbanisation there is demand for more housing and, provision of new and upgrading of existing infrastructure and hence the need for better strategies to manage the housing supply process.

2.0 METHODOLOGY
This paper examines housing provision in an environment of rapid urbanisation with focus on a case study of Uganda. The methodology used involved studying and evaluation of literature and archival documents from different sources on Uganda’s urbanisation trends, housing environment, examination of the policy framework on housing, housing provision interventions executed by the Government of Uganda and then it focuses on strategies that can boast housing delivery in an environment of rapid urbanisation within the country’s context. The study was largely a desk research but it also draws from input of key stakeholders in the housing sector in the country and other scholars on the subject.

3.0 BENEFITS AND CHALLENGES OF URBANISATION
Urbanisation has been defined in so many different ways. According to the World Bank (2015) ‘Urbanization is the result of social, economic and political developments that lead to the concentration of people and growth of large cities. It is usually associated with changes in land use and a transformation from rural to metropolitan patterns of organization and governance’.

For purpose of this discussion, I limit myself to the definition by the United Nations which define urbanization as ‘movement of people from rural to urban areas as a result of immigration to an existing urban area’ (Aluko, 2010:64). When this movement is rapid, it is inevitable that the demand for decent housing rises, often overwhelming the infrastructure and services within the urban area.
3.1 Benefits of Urbanisation

Urbanisation brings together economic and human resources that stimulate the economy through the development of business, science, technology and industry and, second, it is more cost-effective and efficient to supply infrastructure facilities such as fresh water and electricity to a concentrated population in a city (The Open University, 2016).

Urbanisation can lead to efficient ways to providing basic amenities. The concentration of people and resources leads to more readily available education, health, social services and cultural activities in cities; urban living is linked with higher levels of literacy and education, better health, lower fertility and longer expectancy; there are better communication and transport networks; and social and cultural barriers can be overcome (The Open University, 2016; Andersen, 2002).

3.2 Challenges of Urbanisation

Rapid and unplanned growth in urban areas is associated with inadequate housing, poor access to water and sanitation, which lead to health problems and, second, it is associated with adverse environmental effects such as reduced water quality, a build-up of waste materials and poor air quality. It is also associated with inadequate infrastructure, high population density, congestion and pollution (UN-Habitat, 2016; Aluko, 2010).

Urbanization is likewise, linked with increasing urban poverty and inequality; rises in slum and squatter population; adverse social effects such as higher levels of crime and violence; and a lack of social support. Rapid population ‘growth and physical expansion of cities have been accompanied by unplanned urban sprawl, environmental pollution, deterioration, deficiencies in modern basic facilities and general urban decay’ (Aluko, 2010:64).

4.0 URBANISATION IN UGANDA

4.1 Trends of Urbanisation In Uganda

In recent years, Uganda has been urbanising fast especially since the 1980s when the country achieved stability after the end of civil wars. The urban population has grown from less than one million in 1980 to 6.4 million in 2014 and it is estimated to reach 13.3 million in 2030 (World Bank, 2009). Table 1 shows that the rate of urbanisation in the country has grown from 4.4% in 1960 to 16.2% in 2018 and it is projected to reach 26.5% in 2040 with the country’s population reaching 83.6 million people.

This high level of urbanisation rate is likely to have a profound effect on the demand for housing in Uganda in urban areas more especially as supply of housing is lagging behind housing demand in the country.
Table 1: Population and urbanisation rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (million)</th>
<th>Urbanisation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>6.79</td>
<td>4.4</td>
</tr>
<tr>
<td>1970</td>
<td>9.4</td>
<td>6.7</td>
</tr>
<tr>
<td>1980</td>
<td>12.5</td>
<td>7.5</td>
</tr>
<tr>
<td>1990</td>
<td>17.4</td>
<td>11.1</td>
</tr>
<tr>
<td>2000</td>
<td>24.0</td>
<td>12.2</td>
</tr>
<tr>
<td>2010</td>
<td>33.9</td>
<td>14.5</td>
</tr>
<tr>
<td>2018</td>
<td>44.2</td>
<td>16.2</td>
</tr>
<tr>
<td>2020</td>
<td>47.2</td>
<td>17.9</td>
</tr>
<tr>
<td>2040</td>
<td>83.6</td>
<td>26.5</td>
</tr>
</tbody>
</table>


4.2 Impacts of Rapid Urbanisation on Housing in Uganda

In Uganda, rapid urbanization has led to increased demand for housing in the rapidly growing areas such as Kampala. In several cases, the cost of housing has risen in return as supply fails to meet the demand for housing. The resultant demand that is not matching commensurate incomes leads to the supply of substandard housing for low and middle-income earners.

The impact of rapid urbanization in Uganda has been largely negative, characterized by poverty and stagnation rather than economic development. Such a situation has been characteristic of many developing countries where urbanization process is a consequence of the “pull” of migrants from rural areas to towns. Unlike in the more developed countries where urbanization was a result of industrialization and coupled with growth in production and economies in general, in Uganda urbanisation has been more challenging, driven by a search for employment opportunities, better living conditions and access to services other than production. The typical Ugandan city has grown rapidly, but without sufficient policy coordination. As a result,

‘.. the emergence of Ugandan cit[y] has not necessarily resulted in increased productivity, with the majority of jobs created through the urbanization process involving low productivity activities. Furthermore, the living environment does not provide decent housing or adequate public goods for a significant proportion of city residents, with at least 60 percent of the urban population in Uganda living in slums. In addition, the mobility of people and goods is constrained and costly due to the heavy congestion in the cities’ (World Bank, 2015).
4.3 Housing Deficit in Uganda

Achieving affordable, decent housing for most Ugandans has been the topic and desire of many researchers and the Government of Uganda for long. While the desire to have adequate housing for all is genuine, in Uganda, this kind of housing is often unaffordable. On the other hand, informally built housing is affordable though often inadequate (African Centre for Cities, 2015).

Uganda constructs about 60,000 housing units (40,000 in rural areas and 20,000 in urban areas) annually. At the same time, the country needs 200,000 new housing units a year (135,000 in rural and 65,000 in urban areas), which creates an annual deficit of 140,000 new housing units annually. At the same time, the nation has a housing backlog of 1,600,000 housing units (Government of Uganda, 2017). This scenario paints a gloomy picture of the housing situation in the country and more needs have done to reverse the trends.

4.3.1 Strategies for Addressing Uganda’s Housing Deficit

The above discussion highlights some of the complexities of developing housing in an environment of rapid urbanisation, deficiency and poverty. In considering the supply of housing in an environment of rapid urbanisation, two documents stand out as being critical for this discussion – The National Slum Upgrading Strategy and The National Housing Policy.

The National Slum Upgrading Strategy

In order to address the challenge of adequate shelter for all in Uganda, and especially those living in poor conditions, the Government of Uganda developed a National Slum Upgrading Strategy (Government of Uganda, 2008).

As one of the signatories of the various international documents and agendas for improving the livelihood of its citizens, Uganda has taken various steps in this direction including, responding to Agenda 21 (1992), and adopting the Habitat Agenda (1996). It developed and rolled out the Poverty Eradication Action Plan (PEAP) (2004/5-2007/8) and thereafter, adopted the first National Development Plan I (2010-2015) and later, and later second, National Development Plan (NDP II) 2015/16-2019/2020. The National Development Plan (2010-2015) aimed to address structural bottlenecks in the economy to accelerate socio-economic transformation and bring a portion of the third of the population out of poverty. On the other hand, National Development Plan (NDP II) aims at strengthening Uganda’s competitiveness for sustainable wealth creation, employment and inclusive growth and thereby propel Uganda towards middle income status by 2020, in line with the aspirations of Uganda’s Vision 2040 (2015/16-19/20 (Government of Uganda, 2010; 2016).

In justifying the National Slum Upgrading strategy, Government rightly outlines the rationale as: “This National Slum Upgrading Strategy is based on the recognition that slums are a development related phenomena which must be addressed to correct socio-economic imbalances, environmental sustainability and poverty reduction in the high density low income settlements” (Government of Uganda, 2008:1).
In discussing the provision of housing in Uganda, the paper looks at the National Action Plan for the National Slum Upgrading Strategy. This is because slums in Uganda play an important role in providing poor people with shelter however limited it may be in quality. Poor people are the most challenged in accessing adequate shelter especially in urban areas. Also in urban areas, slums provide residents opportunities to employment and access to services, which they otherwise would not have accessed. Therefore, slums are a sanctuary of many poor people with limited options of accessing decent housing. At the same time, despite the wishes of many, eradication of slums in Uganda is unlikely to be realised in the near future.

The strategy has a very ambitious goal of sustainably upgrading all the existing slums in a holistic manner and preventing future slum growth in Uganda (Government of Uganda, 2008:2). It is hoped that this goal would be achieved through twenty-seven (27) strategies to be realized through a National Action Plan. The paper reflects on some of the actions the Plan has to undertake here below:

1. **Undertake further slum settlements profiling in all urban areas.**

   Slum settlements profiling is a very important aspect that would create a database on slum settlements and inform the National Development Plan of the state of slums in the country. Without adequate information, strategic and comprehensive planning for housing for all cannot be easy to achieve.

2. **Undertake slum upgrading that promotes adequate housing and improve the lives of people living in them.**

   While this is desirable, the plans for undertaking slum up-grading projects, especially by local governments are still a dream yet to be realised. Most local governments (and even the Central Government) rely largely on foreign funding to carry out slum upgrading projects. As long as such projects are funded through foreign assistance, it will be difficult to sustain them. The activities stipulated in the Action Plan have to have clearly defined actors and be well organised to play their role.

3. **Fix the regulatory framework to create conditions in which the poor can obtain access to legal, affordable and appropriate housing**

   The creation of a Regulatory Framework is expected to have a number of outputs among which were/are enacting the Building Control Bill, tax relief on mortgages, purchase of land by Local Governments among others. Apart from the Building Control Act enacted in 2013, provision of tax relief on mortgages and purchase of land by local governments are unlikely to be realised in the near future. First, the current economic environment where government is in urgent need of widening the tax base and increase its internally generated funds, tax relief on mortgages are unlikely to be achieved. Secondly, local governments lack resources to carry out most of their basic mandates. They have not put in place mechanisms to support the purchase of land, especially for housing development. Even the Central government has so far failed to do so.
Fixing the regulatory framework included developing a National Urban Policy with the view of filling the gaps in existing national policy that fail to adequately identify and respond to urban poverty. Government of Uganda has managed to enact a National Housing Policy (2016) to promote the realisation of adequate shelter for all. Under this policy, government undertakes to provide key inputs such as serviced land with access roads, electricity and sewerage, as well as to leverage access to affordable financing for housing development (Government of Uganda, 2016). While this achievement may be lauded local action plans are yet to be in place to initiate activities that promote local economic development programmes and hence signs of enhancement of local revenue are not likely to be realised in the near future.

4. a) Managing urbanisation and tackling urban poverty

Managing urbanisation and tackling urban poverty requires strategic planning. Government has to put in place an urbanisation policy to guide the process. Government intends to profile urban poverty in urban areas of the country and place urban issues and urban poverty on the national agenda, promote balanced and sustainable urbanisation, encourage the development of growth centres in order to decongest the city and enhance local authority revenue (Government of Uganda, 2008: 2016).

4 b) Design and implement preventive policies and strategies to stem further mushrooming slums

Under this action, by-laws for development control and pro-poor policies are to be developed. At the present, local governments are developing the by-laws for development control, but in piecemeal. At the same time, policies targeting poor people in terms of housing are not yet in place. For example, it is envisaged that under this action, new sites for low-cost housing would be provided. This objective may be difficult to realise especially as identification and acquisition by local authorities of new sites for housing development may not be easy.

5 a) promoting partnership and re-defining roles of stakeholders

Among the efforts for promoting partnerships is recognising the poor as a resource and genuine partner in the development of housing. In some urban centres, poor people have been mobilised to provide infrastructure and services, and management of local water supply. This has proved to be very helpful in urban areas that are constrained financially to provide the services. Even so, more needs to be done to clearly define how actors in the partnership are to be handled in the changing socio-economic environment else if this is not done the resultant environment tends to undermine the poor’s role as key stakeholders.

b) Institutional capacity and co-ordination

Under institutional capacity and co-ordination, the central government is expected to design programmes and empower the community through promoting enabling strategies in resource allocation, policy initiative, legislative, regulatory and administrative measures. So far, such programmes are yet to be realised.
6. Implementation, Monitoring and Evaluation

The purpose of monitoring and evaluation is to track progress and facilitate decision-making. It measures the effectiveness of programmes, helps to determine exactly when a programme is on track and when changes may be required. Without it, it would be difficult to claim progress and success and how future efforts might be improved (UNDP 2009). Therefore, its importance in strategic planning cannot be over emphasised. However, it is vital that it is done at all levels if it is to effectively inform the implementation of the housing policy.

7. Launch the strategy and publicise the National Action Plan

This is more than an event and more than a launch, and its publication would be required to realise the objectives of the Action Plan.

The National Housing Policy

In 2016, Uganda enacted a National Housing Policy. The strategy for implementing the housing policy at both central and local government levels include: establishment of the Public Servants Housing Scheme, Private Sector Workers Housing programme, redevelopment of slums in urban areas, development of rural housing and settlement schemes, development of a government Institutional Housing scheme, development of a rental housing programmes. It also takes account of establishment of social housing programmes for the homeless, research and development, review of policy, legal, regulatory and institutional framework, establishing a housing information system, public awareness campaigns on housing, capacity building and trainings, formation of housing co-operatives, and networking and collaboration (Government of Uganda, 2017).

One of the objectives of the housing policy is to improve the houses quality through building capacities of the sub county technical staff to backstop and provide technical advice on housing (Government of Uganda, 2016). This objective may be difficult to realise as most sub-counties have no technical staff in the first place who can assist guide the development of housing. Unless assisted, sub-counties are not in position to employ these professionals. Even many districts are at the moment suffering from lack of qualified technical personnel as they are not in position to employ them even when they are catered for in their establishment.

Another aim of the policy is to improve efficiency and quality of housing through research in building materials and technologies, repair and maintenance and promoting efficient utilisation of energy and other resources in housing. Research in building materials and technologies, is still low. Little has been done to support research institutions to carry out the relevant research in this area. Academic institutions lack research funds to conduct research in housing as housing is not a considered a priority area and the Ministry of Lands, Housing, and Urban Development has neither the mandate nor resources to do so as well. So at the moment development of research is likely to remain un undertaken. Effort is being put in emphasising building maintenance and repair but efficient use of other energy alternatives still seems to be a challenge that is largely unconsidered in the housing sector.
Although Government of Uganda is committed to promotion of the use of appropriate building materials and technologies to date the acceptance of many of these materials and technologies on the local market is still low. Many of the low cost materials have not been standardised for use locally and hence cannot be specified in formal contracts.

5.0 STRATEGIES TO BOAST HOUSE DELIVERY IN UGANDA

From the discussion above, it is evident that Uganda has impressive policies and plans for addressing the problem of providing adequate housing for all. Nonetheless, these policies are not followed with sustainable and realistic implementation strategies.

In implementing the strategies for developing adequate housing for all, the country has to review carefully existing strategies and options to ensure that they profitably and appropriately respond to the prevailing conditions. Some of the strategies and options to reflect on include: access to planned and serviced land, housing cost and housing quality, household incomes, decent rental housing, housing finance, hindrances to development of affordable housing. While the above list is long, it is not exhaustive but here below is a brief highlight of its reflections.

5.1 Planning for Rapid Urbanisation

The country should develop a well-established procedure of planning strategically for rapid urbanisation for its proper management. This should be done both at national and local levels. As part of the initiatives to contain rapid urbanisation, the country should plan and work towards equitable development. This will reduce the influx of the unemployed to urban areas for employment opportunities that are perceived and not planned for. This should include, among others, gathering accurate information on urbanisation, planning for services and infrastructure needed, and planning for the workforce needed to sustain the planned for development. At the same time, government should work with society to find ways of addressing the negative effects of rapid urbanisation. Key among these is fighting poverty and crime.

5.1.1 Improving Access to Planned, Serviced Land for Housing Development

In an environment of rapid urbanisation, where various uses highly compete for land, the country needs to address the issue of accessing well-planned and serviced land for housing development. Land in urban areas is intensely competed for by various uses and housing rarely competes favourably for such land. On the other hand, government has the role of providing infrastructure and service, and planning of land for the various uses. To-date, land has been largely made available for industrial development on the assumption that this is the area that will revamp the country’s economy and provide employment opportunities. While the above is vital, it is equally important to avail land for housing (especially commercial housing such as comprehensively planned land for real estate development) as it is a precursor for a country’s development.

One of the strategies advocated in the National slum upgrading strategy is “urban land pooling and land re-adjustment for managing and financing urban land development by planning and servicing urban-fringe land into planned layouts of roads, public utility lanes, public open spaces and serviced building plots” (Government of Uganda, UN-Habitat and UNDP, undated:4). Although this sounds beautiful, how it is to be achieved is not clear. No wonder that it is yet to be implemented anywhere in Uganda.
Deliberate efforts should be made to improve the supply of planned and serviced land for housing to all categories of citizens. Government should aggressively partner with other stakeholders such as private land owners, developers and financiers to improve the supply of affordable land for housing development.

Local governments need to work with partners and the local community to identify sites appropriate for housing and where possible make the land available and viable for housing development. For large urban centres such as Kampala, they should work with partners to strategically identify and develop housing through densification, especially in areas where land is expensive or less affordable.

5.1.2 Managing Housing Costs and Housing Quality
With rapid urbanisation housing costs tend to rise while housing quality may fall due to non-commensurate housing supply coupled with low incomes. There is a need to identify ways of reducing the cost of housing through reduction of cost of land, building materials and labour. This calls for carrying out research in the production and use of new and innovative materials, mass production of housing units to benefit from the economies of scales. It is imperative that government, developers, finance institutions and landowners work together to foster availability of affordable land for housing. Research for alternative materials and technologies should be promoted to ensure affordability of housing. Training of the local labour force, especially the local artisans to acquire skills and improve their performance and knowledge to be competitive will not only increase their opportunities to employment but also increase output and efficiency in the construction industry.

5.2 Streamlining the Housing Market

5.2.1 Enhancing Existing Potential

Taking Advantage of Housing Co-operatives
Under the National Housing policy, Government of Uganda intends to establish and support co-operatives and Savings Groups to serve as channels for mobilizing both human and financial resources for housing development.

At the present, Uganda has no reliable data on cooperatives in different parts of the country. Uganda Housing Cooperative Union Ltd, considered to be one of the major cooperative union in the country has only 25 primary housing cooperatives. Unfortunately, many people are not aware of their existence and/or what they do. The country should take advantage of the benefits of housing cooperatives. These include; improving security of tenure, housing affordability, job creation, developing a saving culture among members, pooling resources for housing development, building awareness and confidence among members about the possibilities and options for developing and accessing affordable, decent shelter and improving compliance with planning regulations within the housing industry among others.
**Improving Household incomes**

There is a limit to which one can moderate the cost of housing by reducing the cost of materials, land, labour or taxes. It is therefore imperative to focus on ways of improving household incomes as a way of raising households’ affordability to decent housing. This is especially vital in Uganda where household incomes are still low.

5.2.2 Establishing a Revolving Investment Fund for Housing Development

Recently a US based firm looking at the debt burden of a number of African countries in its report advised African governments to refocus their efforts towards mobilizing domestic resources to fund infrastructure projects because the external financing environment is increasingly becoming too challenging to tap into (The Market Whisperer, 2018).

The report further observes that, “discontent with globalization and changing political environments are causing governments in some advanced economies to revisit their commitments to development assistance. At the same time, a number of African countries are having their public debt levels exceeding 50 percent of GDP. In such an environment, it is essential that such governments seek alternative methods of raising development funds” (The Market whisperer, 2018:52).

Considering the above, Government of Uganda needs to come up with concrete and practical ways of encouraging Micro-finance Institutions to develop low cost mortgages targeting the poor. Where plausible, entities such as KCCA may come into contractual agreement where they could borrow money raised by community groups (for example, SACCOS) to fund social and physical infrastructure, under beneficial terms.

Often, the economic strength and contribution of a given area influences the provision of infrastructure. While this makes economic sense, it also exacerbates the inequalities in the provision of services. Instead the provision of services should be based more of the strategic potential of the areas. This requires forecasting the socio-economic development trends of the areas to both parties.

Government should establish a Revolving Investment Fund to support infrastructure and investment in various projects including housing. This revolving fund should be accessible to local governments, NGOs, co-operatives and other community groups under well-established terms and conditions that support housing development.

5.2.3 Developing Decent Rental Housing

In Kampala, rental housing constitutes over 56.5 per cent (Government of Uganda, 2008). In the competitive urban environment where many households have intermittent and limited incomes, rental housing that is cheap and flexible with respect to movement and is often a preferred option. Regrettably, often focus is on homeownership that is affordable to a limited number of the urban population.
There is a need to develop a strategy to target and facilitate the development of decent and cheap rental accommodation in different areas of the country’s urban areas to increase the supply of affordable housing. This will likewise help households to reduce expenditures on transport and save on time spent in travelling long distances to and from workplaces of residence. The household members can then put the time saved can then put to productive use.

5.2.4 Addressing Hindrances to Development of Affordable Housing

Governments at all levels need to study the causes of hindrances to the development of affordable and decent housing for the different income brackets and especially the low-income earners. Solutions to the hindrances may not be the same and therefore, a more focussed approach to each category is essential for achieving sustainable solutions.

5.3 Enhancing Access to Professional Services

The cost of hiring professionals in the industry has also affected the development of housing in Uganda. Government should put to use the young but unemployed or underemployed professionals to offer mobile clinics in their areas of specialisation to the community under conditions where the young professionals under incentivised conditions.

References


