



**Trapped Between?? Struggle for the Urban Poor  
to Better Housing  
The case of Mathare, Kenya.**

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***Disclaimer:***

This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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*"It is good to have an end to journey toward; but it is the journey that matters, in the end."* Ernest Hemingway

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## List of Acronyms

AVF	Asset Vulnerability Framework
CBO	Community Based Organizations
CSO	Civil Society Organization
CSUDP	Civil Society Urban Development Program
COHRE	Centre on Human Rights and Evictions
JBB	Jamii Bora Bank
KENSUP	Kenya Slum Upgrading Program
KES/KSH	Kenya Shilling
KISIP	Kenya Informal Settlements Infrastructure Program
LAs	Local Authorities
MDG	Millennium Development Goal
NHC	National Housing Corporation
NGO	Non - Governmental Organization
SACCO	Savings and Credit Co-operative
SDI	Slum Dwellers International
UNCHS	United Nations Centre for Human Settlements

## **Abstract**

There has been an uprising crisis of housing in most parts of the world especially in the developing countries. This is due to the salient increase in the demand of houses particularly in urban cities versus the unmatched slow response in the supply of houses which has ultimately culminated in the deterioration of housing conditions. This paper seeks to examine the existence of underlying 'structural' and 'societal' forces that seem to enhance the subsisting nature of housing shortages; subsequently leading to the suppression of the urban poor's efforts to secure better housing. First, the study attempts to understand the contested spaces between market and state and how their actions counter their efforts to provide affordable and decent houses for the urban poor. The study used a mixed method approach which allowed the researcher to capture a snapshot of the complex realities of housing in the Kenyan context specifically Mathare slums. Data was analyzed through the asset vulnerability framework. The most appropriate data analysis tool that could comprehensively investigate the different assets owned by Mathare residents, how they are applied to respond to the current Kenyan housing market and how these affect their pursuit of better housing; highlighting both obstacles and opportunities in the short and long run. The findings indicate that a lack of 'decent' and 'affordable' housing heightens vulnerability of the urban poor. However, the degree of vulnerability varies according to status, ties and context. Likewise, the study looks at current housing policies and programs and how they undermine the lives of slum dwellers and their efforts to bargain for their housing rights; thus, trapping them at the bottom of the housing ladder. In conclusion, greater attention needs to be given towards finding a multi-dimensional solution that also fosters a more complimentary relationship between the market, state and other housing stakeholders.

## **Relevance to Development Studies**

At the heart of development studies is the goal to uncover, understand and confront the causes, process and outcomes of poverty in order to lead to a sustainable and equitable world. This has prompted numerous studies on poverty that have resulted in many descriptions of the manifestations of poverty like urban poverty, urbanization of poverty, feminization of poverty and among them; housing poverty, a problem that is persistently growing and causing deplorable effects especially within the developing countries. There is need to prioritize housing poverty within the development agenda as the problem is not only a question of housing but is related to other societal, economic and environmental problems. There are many global, national and local level interventions have been rolled out. However, the scale and magnitude of the positive effects and responses is wanting especially when compared to the pace at which housing poverty is escalating. Therefore, any study on housing poverty is vital as it contributes towards the efforts that seek to understand, manage if not resolve this crisis thus secure the right to decent and affordable shelter for all.



## **Keywords**

Vulnerability, Housing Poverty, Asset Vulnerability Framework

# Chapter 1 : Introduction

*'The Right to Adequate Housing is a Core Basic Human Right for Every Individual.'*  
*International Covenant on Economic, Social and Cultural Rights, Article 11(1) (1976)*

Globally, housing is one of the basic needs, a fundamental right for all humanity. In expounding this right, the United Nation Human Rights Office of the High Commissioner for Human Rights (2012) highlights seven elements which include legal security of tenure, affordability, habitability, availability of services, materials, facilities and infrastructure, accessibility, location and cultural adequacy; all which are crucial in order to attain decent housing. This clearly evidences the need to focus on housing and reinforces the importance of viewing it as a multi-dimensional phenomenon that requires consideration from physical, social, economic, cultural, environmental and political dimensions.

The housing sector is distinctively divided into formal and informal. Formal housing which refers to all housing units that are within the regulations of the state, meeting each requirement as stipulated by law while informal housing is associated with houses that are not legally recognized and that do not follow the formal standard building guidelines. Examples include slums, squatter settlements, cage houses and illegal extensions in private houses. These houses seem to offer simple and 'cheap' solutions to challenges that are directly or indirectly related to housing.

There is no standard definition of slums or informal settlements as they vary depending on context. Referring to the UN-HABITAT's report an 'Informal settlement' definition mostly emphasizes on 'both informality of occupation and the non-compliance of settlements with land use plans.' while a slum is defined as "an area that combines, to various extents ... residents' inadequate access to safe water; inadequate access to sanitation and other infrastructure; poor structural quality of housing; overcrowding and insecure residential status" (UN Human Settlements Program 2003:11,12). For this research, these two terms, slums and informal settlements will be used interchangeably. Similarly, there is a problem in defining the terms 'urban poor', squatters and slum dwellers as there is no clear distinction. Ramos-Jimenez et.al as cited in Berner (1997: 27) notes "although 'squatter' is a legal concept, 'slum dwellers' refers to physical characteristics of the place of residence and 'urban poor' in whatever way to the income of residents, the Philippine literature does not discriminate between the three terms and instead uses them interchangeably." This study will also do the same.

Since the start of the millennium, there has been a growing crisis of housing in most parts of the world especially in the developing countries. This is due to the dramatic increase in the demand of houses particularly in urban cities versus the unmatched slow response in the supply of houses which ultimately leads to deterioration in housing conditions. However, the shortage is not only as a result of the country's own shortfalls but "it is also a consequence of transnational structures and processes that link all the societies of the world" (Aldrich and Sandhu 1995:18). Predominantly, the influx of people to urban cities has translated to a shift of rural poverty to cities and 'urbanization of poverty' thus creating several social, economic and environmental quanda-

ries with far reaching effects, especially in developing countries. This situation has had direct detrimental effects on the provision of urban housing; according to the UN Habitat (2003:5) report ‘the huge increase in urban population amounts to a crisis of unprecedented magnitude in urban shelter provision’ as people requires shelter.

Ideally, interventions at the global, national and local level should be moving closer to a solution. However, the predicament has become worse as it rises at an alarming rate especially in developing countries. This has created a sense of urgency to find and provide prompt solutions at both global and national levels. As a result, housing poverty was explicitly prioritized as one of the key areas on the development agenda under the Millennium Development Goal (MDG) seven that sets out to significantly improve the lives of at least 100 million slum dwellers by 2020.

## 1.1 Background

### 1.1.1 Housing in Kenya and Socio-Economic Context

Like many developing countries, Kenya has a high rate of urbanization of about 3.9 % for the period 2005-2010. With a current population of 41.8 million people, it is projected that by 2022, 47% of the Kenyan population will be living in urban areas. Perceptibly, as more people settle in the urban areas there is increased concern for proper urban planning and more specifically housing, as the number of formal houses within the city cannot in any way sustain the current as well as future population expansions. This is as a result of the unmatched services and urban management capacity. Unfortunately, the housing sector is not growing at the same rate. According to the 1999 Population and Housing Census, the total housing stock in Kenya stood at 10.4 million dwelling units with only 19.5% of these being in urban areas. (Rockerfellar Foundation 2005:3)

In Kenya, it is estimated that approximately one third on its population about 12 million does not have decent and affordable housing (Nabutola 2004:1).

Year	1999	2007	2012	2017	2022	2027
Total population (millions)	28.1	34.3	38.8	44.0	49.7	56.3
Urban population	19%	26%	32%	38%	47%	56%

<sup>1</sup>Population Growth Projections: 1999 -2027

The housing sector falls under the Ministry of Land, Housing and Urban Development with the Housing Directorate taking direct responsibility for housing. The directorate’s mandate is to facilitate Kenyans to access quality

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<sup>1</sup> based on projections from 1999 National Census as cited by Vision 2030

housing in sustainable human settlements. Previously, there was no provision for housing within the Kenyan laws. Nonetheless, this has since changed as housing has become constitutionally acknowledged under Section 43(1b) which states that 'Every person has a right to accessible and adequate housing and to reasonable standards of sanitation.' In addition to this, adequate and affordable housing was placed as one of the primary focus area in the Vision 2030; a blueprint for the country's development plan whereby the aim is to attain 'a well housed population living in an environmentally secure urban environment' (Kenya Vision 2030, 2008).

In reference to the Constitution of Kenya 2010, the government plays a major role in the provision of housing for all its citizens. It seeks to fulfil this mandate of financing and providing formal housing through two main channels: the Local Authorities and the National Housing Corporation (NHC) who would provide houses for rent or give a housing allowance to the local government workers. The rent charged is low and affordable to low income earners however, they are few in number thus could only able to meet only a small proportion of demand. Furthermore, given the magnitude of population growth and migration that has occurred since the 1970s, it is very unlikely that these two institutions alone could be able to sufficiently cater for the housing needs for all as they have limited resources and capacity. The houses are associated with corruption and inheritance thus benefits only a few individuals. According to Huchzermeyer (2008:30) "these houses represent an additional distortion to the housing market as they are rented far below the market price."

According to Okonkwo (1998:15) In Kenya 'the private sector both formal and informal still remains the largest producer of housing units in the country.' They usually get involved in two ways; through formal private institutions that deal with housing and infrastructure development or as service providers (Otiso 2003: 223). Generally, their target group is the high and middle income earners as they are more financially stable therefore able to afford the houses as market value. However, there are few private companies that venture into low cost housing hence seek to provide houses for the low income earners to take advantage of the untapped market as well as enjoy the incentives like simple registration process, benefits and tax relief offered by the government to private investors providing public and low cost housing. As per the Kenya's housing policy (2005:21) "low cost housing developers in all regions will be given a 100% investment deduction on tax payable." This again is more for their benefit than the provision of low cost housing.

### **1.1.2 Housing poverty in Kenya**

The United Nations Centre for Human Settlements (1996:109) describes 'Housing poverty' as a situation that is associated with "individuals and households who lack safe, secure and healthy shelter with basic infrastructure such as piped water and adequate provision for sanitation, drainage and the removal of household wastes." It was later refined to denote "the shortage of affordable housing for low income urban households resulting in slums and squatter settlements" (UNCHS 2001:14). Simply put, it is the state of affairs where there is a colossal gap of decent housing which goes beyond the challenges of the quantity of houses but equally entails concerns regarding the quality.

The housing predicament can be traced back to the country's checkered colonial history that sought to deal with housing provision along racial lines. Darkey and Kariuki (2013:207) highlights how "the history of Nairobi illustrates the British colonial policy of social and spatial segregation". Steve Auma who is cited by Ngau (2013) also notes that this isolation was a strategy by the British who wanted to lock out the Africans from the city hence propagated a belief that urban centres were areas for economic activities and not places for people to live in. Unfortunately, this colonial legacy continued as those who took over power wanted to maintain the status quo for their benefit. The segregation of residential areas was tacitly perpetuated by the new administration; this time round on the basis of class rather than race (Cheseto 2013) as a result the contours of urban housing scarcity continued to marginalize the poor.

Similar to most developing countries, Kenya experienced an economic decline due to the effects of the global crisis in the 1980s. This prompted the adoption of the structural adjustment programs (SAPs) in order to regain economic stability. Consequently, this triggered a gradual shift towards privatization as the government began to withdraw its support to the public services (Ngau 2013). This greatly impacted the housing sector as the government opted to leave housing production and delivery of services to the private sector and community efforts and only concentrate on providing legal, financial and institutional process.

However, supply of houses does not have to be through construction of new housing units only; well-maintained existing housing stock can equally serve the market. Unfortunately, Kenya does not have a housing maintenance culture therefore many houses move from the formal status to the informal housing category like inter-city slums. This result from a situation whereby decent and desirable public houses that have been left neglected and unmaintained by government or original residents who moved to better areas move become housing units that are subdivided and rented out to the urban poor. (UN Human Settlements Program 2003, Davis 2006)

Kenya's housing sector as described in the Vision 2030 (2008:119) is characterized by 'inadequacy of affordable and decent housing, low level of urban ownership and extensive and inappropriate dwelling units including slums and squatter settlements.' It is worth noting that housing poverty also exists in the rural areas although at more subtle level than the urban areas.

The formal housing market is prominently imbalanced often resulting in a housing deficit where there is a higher demand for houses than its capacity to supply. It is estimated that out of the 150,000 housing units required annually in urban areas, only an estimated 35,000 are produced. An even bigger dilemma arises as out of these few produced number of housing units, only 20% are allocated for the low-income households who happen to be the most in need (Vision 2030:119). This is an indication of how unequal the housing market is as well as how the needs for the urban poor are far from being achieved and need to be prioritized. Consequential to this mismatched supply and demand, 'housing prices in Kenya have increased 100 percent since 2004' therefore pushing lower income residents out of the formal housing market and into the slums. Currently, "there is no house on the formal market below KES 2M (USD 23,000), a level that is still completely unaffordable to low-income populations" (Aden 2012: 3) or even some of the middle class people. This envi-

ronment leads to a growth of informal settlements as the urban poor literally have no choice but to resort to the informal housing market to satisfy this demand.

In as much as it is still considered illegal, the informal housing market plays a key role in Kenya. It is usually preferred as it follows the reverse steps of formal markets which results to access to houses within a short time. This gives the low income earners a chance to progressively secure decent houses at their own pace as costs are spread over a long period of time. The residents first occupy the land, build using local and available materials, bring in basic services like water and plan to seek regularization last (Berner 2009).

As cited by Centre on Human Rights and Evictions (2006:26) Nairobi has “approximately 199 informal settlements.” These are mostly found in poor quality and high risk areas like riparian reserves, steep slopes, swamps, garbage dumpsites and filled quarries as they cannot afford or be able to access formally serviced land. This forces them to occupy what low value land. As (Stillwaggon in Davis 2006:39) highlights “essentially, squatters occupy non-rent land, land that has so little worth that no one bothers to have or enforce property rights to it.” These settlements are also located close to the city; this is because proximity to the job market is a crucial factor for the urban poor. (Davis 2006).

The UN Human Settlements Program (2008: 10,11) reports that within the country’s capital, Nairobi “60 percent of the population lives in slums that occupy only 5 percent of the total land area and the growth of Nairobi’s slums are unprecedented; with the population living in slums expected to double within the next 15 years.” This partially paints just a fraction of the magnitude of the housing predicament in the country.

Kenyan slums are highly commercialized and have evolved into a lucrative business thus acting as the informal real estate and money making machine for a few landlords and structure owners. Nairobi slums are characterized by a higher percentage of tenants than that of landlords as demonstrated by Gulyani and Talukdar (2008:1921) “92% of the households are rent-paying tenants while 8% are owners-occupiers. 6% claim they own both house and land while other 2% own the structure not land.” Chances are the situation is unlikely to change. Huchzermeyer (2008:23) predicts that “the slum, as a form of rental accommodation in Nairobi, will only disappear when demand for affordable housing is met more appropriately or more socially, or when the tenant clientele no longer demands units at this level of affordability.”

## 1.2 Problem Statement

The housing sector in Kenya has been gradually deteriorating. Despite numerous interventions and policies, there has been slow development within the sector as the gap between housing supply and demand seems to be widening. This combined with the existing backlog of houses distinctively leads to the shortage in the supply of housing especially for the urban poor. Notably, this shortage is not a new phenomenon as there are many reasons that lead to it. However, one most predominant claim which then becomes the focus for this paper is the existence of underlying ‘structural’ and ‘societal’ forces that seem to maintain this shortage; subsequently leading to a situation where the efforts of the urban poor to secure better housing are suppressed and access to

affordable houses is restricted. In this case, structural forces denote a somewhat unwritten code which is deeply rooted within society that seems to be the norm that governs relations and behaviour of people. It is these 'invisible' economic, social, cultural and political forces that work in contradiction to the efforts of the urban poor to improve their housing situation thus constantly pushing and maintaining them at the bottom of the housing pyramid as well as heightening their vulnerability. This paper aims to tease out the unseen forces, highlight how they come about and how they contribute to the persisting housing poverty in Kenya. Furthermore, it examines the housing market as well as the inter and intra strata inequalities within society linking it to how they affect housing policies and programs.

### **1.3 Research Question**

How does low-quality and insecure housing affect the vulnerability of slum dwellers in Mathare?

#### **Sub Questions**

- How do the urban poor view their housing predicament? How do they adapt and bargain for their rights?
- What is the role of the state and market with regards to addressing housing issues? How do they affect vulnerability?
- How do the current housing policies, programs and their outcomes address housing poverty in Mathare?

### **1.4 Justification and Relevance**

Over the years, there has been a lot of research that concentrates on housing poverty especially the proliferation of informal settlements and their adverse effects on society. However, these seem to emphasize on the ostensible reasons instead of focusing on the root cause of housing poverty and why there seems to be little headway in resolving this problem. Moreover, majority of the studies done in Kenya are on the financing aspect of housing as they focus on mortgage and microfinance as a way to unlock the resources needed to secure decent housing for all. Nonetheless, these only target one of the many challenges that the urban poor face.

One study done by Habitat for Humanity (2013) systematically maps out and evaluates the processes, interactions, information flow and linkages that support the urban poor in their quest for decent housing. Its main objective was to understand the system and the key goal was to improve the delivery of decent houses to the urban poor as well as to ensure that these houses are affordable. This is contrary to my study as it seeks to do the opposite that is look at the barriers that hinder the urban poor from having better housing. It will seek to understand the extent of housing poverty in Kenya and what fuels the persistence of this predicament over time. In addition to this, my study aims to incorporate the voice and perspective of the urban poor on how they define housing poverty, frame their precarious situation, acclimatize and bargain for

their rights and better circumstances in their quest for decent housing and how this affects them.

It is my strong belief that this study will first; optimistically add to current efforts by researchers and academicians in the housing and urban poverty field as we work towards a better understanding of the predicament resulting in finding effective and realistic solutions through incorporating the relevant key lessons that can be learnt.

Secondly, my study will bring out the struggles that the urban poor go through in order to survive living in vulnerability, fear and at risk. This will be a platform that gives them a voice and recognition for their efforts through their stories and lived experiences hence produce knowledge that is not only relevant in policy making but can be used by other slum dwellers to improve their capacities and strengthen their resilience thus alleviate poverty to an extent.

Given the uncertain and unstable nature of the situation as well as the pressing need to solve this problem, the study hopes to stimulate curiosity and debates on the issues and the politics around urban housing poverty thus raise awareness that may facilitate prompt action.

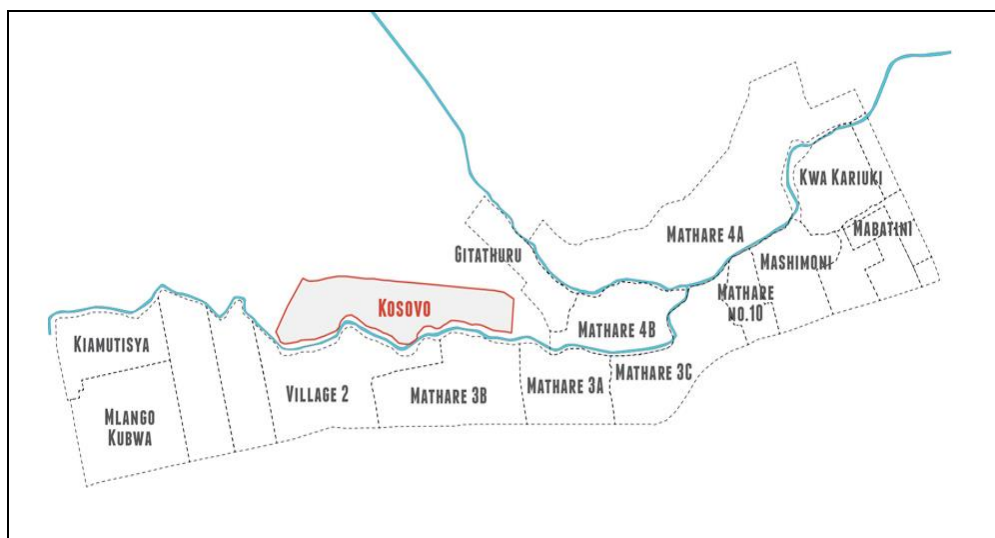
## **1.5 Methodology**

This is a mixed methods research. It employs both quantitative and qualitative techniques. The benefit of this is to take advantage of the strengths that each technique offers. The combination also allows for the ‘use of both inductive and deductive reasoning....facilitates capturing varied perspectives and allows for triangulation (O’Leary 2009:128). Furthermore, a mixed method approach seems like the best and holistic way to capture a snapshot of the complex realities of housing in the Kenyan context.

### ***1.5.1 Housing Poverty in Mathare: The Research Area***

Mathare is considered one of the oldest and second largest slums in Nairobi after Kibera; it comprises of 13 villages. It is located about six kilometres from the Nairobi city centre. It is bordered by two main roads, Juja and Thika road and there are 2 rivers that go across it Mathare and Gitathuri River. Mathare lies on 73.7hectares of land that is partly owned by the private owners and the Government; City Council, Police and Air Force.





<sup>2</sup> Map of Mathare Valley

Like most informal settlements, Mathare is characterized by lack of decent houses, lack of proper sanitation drainage and social amenities, poor infrastructure and overcrowding; all external factors that make a community, household and individual vulnerable and insecure.

### ***1.5.2 Study Population***

According to the Kenya National population census of 2009, Mathare's population stands at 80,309 people, although there is a high possibility of undercounting which is due to limitations associated with the method of data collection as well as the fact that the urban poor usually want to remain invisible. During an enumeration done within Mathare by Muungano Support Trust and Slum Dwellers International et.al (2012), the actual count gives an estimate of 188,183 people which most likely paints a more realistic and credible picture because they were conducted by the community members who know the area and the residents well.

This study focused on the residents of Mathare who have lived there for over a year as they would be able to give relevant and informed comments. Furthermore, the respondents targeted had to fall under the class 'urban poor' following two criteria; one had to be a low income earner and lived in a low quality environment.

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<sup>2</sup> Source: Catarina de Almeida Brito based on Muungano Support Trust 2011

<b>Mathare Population, 2009 Kenyan Census</b>					
<b>VILLAGE</b>	<b>Total Population</b>	<b>Female</b>	<b>Male</b>	<b>No. of Households</b>	<b>Area- Sq. Km</b>
3A	4059	1896	2163	1530	0.0536
3B	7433	3256	4177	2681	0.0497
3C	5316	2430	2886	1925	0.0761
4A	18776	8565	10211	5627	0.2151
4B	5681	2496	3026	1810	0.061
GITATHURU	3737	1645	2092	1241	0.0464
KIAMUTISYA	5825	2845	3188	2351	0.054
KOSOVO	8085	3642	4443	2846	0.0835
KWA KARIUKI	5290	2353	2937	1878	0.0545
MABATINI	1160	553	607	383	0.038
MASHIMONI	4478	1931	2547	1692	0.0526
NO.10	2594	1350	1604	994	0.0272
VILLAGE 2	7875	3658	4217	2854	0.072
<b>TOTAL POPULATION</b>	<b>80309</b>	<b>36620</b>	<b>44098</b>	<b>27812</b>	<b>0.8837</b>

<sup>3</sup> Mathare's population as per 2009 Kenya Census

### ***1.5.3 Study Sample***

As Mathare is a big slum with a large population, I selected four villages namely: Kosovo, Mashimoni, Mabatini and Mathare 4b to form the study area. This decision was influenced by a number of factors, first by the intense discussions with my contact person, who had lived and worked within Mathare for a number of years. He reinforced the suitability of the four to my research topic and focus. Likewise, the guide who was to accompany me throughout the research period was well versed and known in the areas thus facilitating ease of access to the field and respondents. Finally, it's the transect walk around the slum during the start of the research that reaffirmed my decision to conduct the fieldwork as they were so diverse and that would give me an opportunity to draw very rich data. Thereafter random sampling was applied to get different respondents thus capture different responses. The initial target of a minimum of ten to fifteen people per village was set and only the respondents who were willing and available to respond were interviewed at their place of convenience without much interruption of their activities.

However, during the fieldwork, I felt the need to include a fifth sample site, Mathare 4A. Many respondents kept on referring to it as a best practice; the village that had decent housing for low income earners. This spurred my curiosity to understand the details and dynamics of this settlement in comparison to the others and why residents viewed it as ideal. As a result of this inclusion, the small population count of Mabatini and time constraints, I interviewed less than the set minimum target of 10 respondents for the two villages.

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<sup>3</sup> Source : Muungano Support Trust and Slum Dwellers International et.al (2012) 'Mathare Zonal Plan'

This was in no way a representative sample that generalized the views and opinions of the whole Mathare slums but it was a statistical sample that can be used to highlight key issues, challenges and experiences of living in an informal settlement.

Area	Mashimoni	Kosovo	Mathare 4b	Mathare 4A	Mabatini
Total population	4,478	8,085	5,681	18,776	1,160
Sample	13	14	13	4	9

Source: Author's Own

### ***1.5.4 Data Collection***

There were five key data collection techniques used, namely:-

#### **Questionnaires**

The main aim was not to make statistical generalizations but to get a general picture of extent of housing poverty in Mathare through sampling different responses from selected sites. In total, I interviewed 53 respondents using a semi –structured way to administer the questionnaire; this allowed me to probe further for clarity thus influencing quality of information. There was a mix of fixed questions which helped to get specific data and open ended questions to get opinions of the respondents on the subject matter. As the purpose was not to answer the questions but gain more from their experiences, changing the questions in the course of the interview was permissible (King and Horrocks 2010).The questionnaire was rather long but it included some repetitive questions for verification of some crucial facts and there were some that were answered while in conversation. It took about fifteen to twenty minutes to administer it which was ample time to create rapport, gather comprehensive information.

#### **Key Informant Interviews**

With the use of an interview guide, I conducted semi-structured interviews and drew information from four people from various institutions to get information on how they view the housing situation in Kenya and their role and support they give to the urban poor. This was to triangulate the data that I received from the fieldwork in order to make valid conclusions.

The interviewees included;

- A government official, Mr. CK who is the Assistant Director for KENSUP/KISIP in the Ministry of Land, Housing and Urban Development.
- A person from the local NGO, Ms. MM, Senior Sociologist (Housing Department) in Pamoja Trust/Shelter Forum both NGOs work in informal settlements and have housing projects in Kenya.
- A person from the private sector, Ms. IG, Head of Mortgage in Jamii Bora Bank that has had projects on low cost housing specifically for the urban poor

- A person from Civil Society Urban Development Program, Mr. GW, a coordinator (CSUDP) which supports Kenya's Civil Society Organizations in the field of urban development and policy.

### **Photographs**

These were used to give a visual impression of the situation as it is on the ground. They show the physical and environmental context of Mathare bringing out the severity of housing poverty.

### **Observations**

This is an important method to gather information especially the non-verbal communication from the respondents. I was keen of the surroundings and external environment especially when assessing for tangible assets and verifying the responses from the interviewees in some instances.

### **Secondary data**

I also looked at grey literature which included newspaper articles, reports, journals and articles related to the topic that may give me information that will add value to the research and in identifying common patterns. This includes other researches within the housing sector and may not necessarily be limited to the Kenyan context but other regions that have similar problems.

## ***1.5.5 Data Management***

To analyze quantitative data, I used Statistical Package for Social Sciences (SPSS) and Excel using simple statistics like mean, cross tabulations and percentages to show the economic, social and demographic status of Mathare. Qualitative data collected was transcribed, analyzed and incorporated to the research paper through direct quotations.

## ***1.5.6 Limitation of Study***

In any research work, challenges are inevitable as one can never be fully prepared. These can be caused by the external environment or as a result of the issues directly related to the study. Whilst undertaking this research, I was time constrained in terms of gathering data as I had entered the field too close to the by-elections set for August. I had pressure to finish before the mood and environment changed as election time is usually a crucial time for both the politicians who use land and housing issues to solicit for votes by making false promises and slum residents who leverage the situation to gain special favours (De Wit and Berner 2009).

As slums are not areas where one can just walk in and do research, I had a guide who is a resident in Mathare and community leader. His main role was to facilitate for ease of access to the field while offering some form of 'protection'. Nonetheless, he posed as a danger to the research as often he would bias the study by controlling the respondents for the study.

Another key issue was language barrier. In as much as I am young and Kenyan I had not lived in the slum so there were some phrases which I was not familiar of. In addition to this, I could not conduct the interviews using fluent English or Kiswahili. I had to use a mix of the two languages in several instances in order to be clearly understood. There are some variables and

meanings that I felt got lost in translation or in the explanations thus making them equally difficult to measure. This gave room to value based analysis which often leads to diverse results and at times to confusion and misunderstandings.

## **1.6 Arrangement of the Paper**

This research paper contains five chapters. The first included the introduction which sets the foundation of the study as well as the methodology. The second chapter will elaborate the relevant literature used to bring current debates and issues into. With specific focus on Mathare Slums, chapter three will give a snapshot of the existing realities highlighting how the urban poor define and react to the housing problem. The fourth chapter will focus on the current role of the state and market and how they affect the lives of the urban poor. The chapter will also discuss the existing housing policies and projects overview and outcomes and lastly, chapter five include the conclusion and reflections.

## Chapter 2 : Literature Review

### 2.1 State Failures

The state plays as very important role in ensuring the well-being of all its citizens. It has an obligation to facilitate a functional economic, social, cultural and political environment that is enabling for all to have access to decent housing. According to Aldrich and Sandhu (1995), housing poverty is an indicator of failure by the government to provide and guarantee decent housing for all its citizens thus acting as a barrier to human, social and economic development.

The state has many functions. However, this paper will particularly focus on the failure by government in providing these three key services thus contributed to maintaining this housing predicament: the first is a gap in planning. Mutisya and Yarime (2011:201) believe that housing poverty is “the consequence of both explicit government policy and decades of official indifference. In particular, informal settlements were excluded from city authority planning and budgeting processes.” For a long time during planning, the state has pretended to be blind to the existence of slums therefore their growth is an indicator of its failure to meet housing demands for its citizens especially those from low income groups. They are equally absent and their presence is not felt as much in terms of provision of services. Similarly, Hardoy and Satterthwaite(1989) point out how governments fail to recognize people from informal settlements as citizens and how they consciously deny them their basic rights by not providing infrastructure and essential services to these settlements.

Secondly, there exists a huge gap in legislation and regulation of housing. It is only after the inclusion of housing in the MDG and the report by UN Habitat ‘a challenge of slums’ that countries especially developing countries began including housing as part of their development agenda. In most developing countries, the laws and regulations concerning official building and planning standards that existed are outdated and idealistic as they were inherited from the colonial period therefore not suitable for the current times as the situation and contexts have changed (Hardoy and Satterthwaite 1989). The official laws governing space per person, minimum depth for foundation, lighting, building materials among others cannot be followed to the latter due to the land constraints and population increase within the city. This results in a scenario where majority of the houses in developing countries are considered illegal. According to UNCHS in (Berner 2009:2) “64% of the housing stock in low income countries and up to 85% of newly produces housing is unauthorized.” Furthermore, there is no consistency and deliberate efforts by the different states regarding housing resulting in mixed reactions of acceptance and rejection that are subjective in nature and dependent on context. This has created a volatile environment where there are no clear directives on what is legal and is illegal, formal or informal. This situation is brought about by the two contrasting views that exist on slums as they are either seen as a curse or a blessing. On one hand, these are areas that are described as illegal; places full of filth and crime hence a nuisance within society. On the other hand, they are seen as ideal as they serve a specific need in filling in the gaps left by formal housing as

they offer affordable, alternative solutions for the housing gap. Depending on which view the state chooses, it affects how the state deal with informal housing in terms of actions, policies and programs.

Lastly, the gap in resource allocation, the state has a mandate to provide equal and equitable resources to all. Nonetheless, this has not been the case as what can be seen is the unequal allocation of resources especially between the rural and urban centres. Arguably, most resources, job opportunities and social amenities are concentrated within urban areas therefore act as a pull factor resulting in the high rates of migration in towns. Further segregation occurs when the state seems to cater for the needs of the rich and middle class leaving the poor to their own devices evidenced by high concentration of infrastructure and resources in elite areas of interests. Hadoy and Satterthwaite (1989:20) describe the existence of two cities, the city of the rich and the city of the poor pointing out how “most urban planning and government investments in water supply, sanitation, drains and roads take place in the middle and upper areas which house a minority of the total population.”

As housing is deeply entangled into a political arena, issues around it often vary according to the political regime and politicians’ agenda. The UN Human Settlements Program (2003:5) points out that the most critical aspect that limits efforts towards improving housing and living conditions of low-income groups in informal settlements “is the lack of genuine political will to address the issue in a fundamentally structured, sustainable and large-scale manner.”

## **2.2 Market Failures**

Ideologically, perfect market exists but realistically this is not possible. Polanyi regards the notion of the ‘economy’ as an independent and equilibrating system of integrated markets as a fiction (Castles et.al 2011). According to Berner (2009) not much progress has been achieved to make the markets work for the poor despite a number of efforts by World Bank. Additionally, he cites Baken and Van der Linden pointing out how the housing market is inelastic has always at a state of disequilibrium with the demand always outpacing supply. Perceptibly, when the housing supply is inelastic there is an increase in demand which leads to an increase in price and decrease in quantity supplied (Buckley and Kalarickal 2005).

The market is solely in the housing sector to make profit as it is ‘just business’. According to Humanity for Habitat International (2013:46) “The private sector strives to effectively cover the developer’s costs and make profits; they are less driven to provide low cost housing to the bottom the pyramid.” This makes formal houses too expensive and exclusively affordable to the high class only and partly the middle income earners. They particularly target those who can afford to buy houses at market value or those with access finance through mortgage or loan thus creating further market inequalities. The market is then manipulated by elites to suit their needs (Barrientos 2007). Frequently, the rich and middle income earners have an attitude of entitlement to the city as they are not willing to share the ‘space’ and opportunities with the low income earners thus putting barriers that make the entry to the city difficult (Berner 2009).

As the housing market is closely interrelated with other key markets such as land and labour, changes within these factors equally affects housing. Berner (1997) gives an example of urban land, when it becomes scarce it results in a rise in the demand and price for its use. This ultimately leads to an exclusion of certain groups of people as they are unable to pay the market price. Usually, the price at the end delivery process of formal housing is commonly inclusive of direct and indirect costs.

On the contrary, even if there was a perfect market that worked on producing decent and affordable housing or they have enough resources the private developers would still have limited capacity and impact as they cannot fully provide for all residents. Similar to the government interventions, the market also faces challenges. Some key challenges as cited by Arvanitis in (Brief 2013) include; high prices of houses due to the demand and supply gap, high cost of building technologies and related costs like materials, limited capacity in terms of expertise to produce mass housing and lack of access to finance for real estate development among others. Neuwirth (2005: 305) criticizes the view that exists in society and the belief that the market will correct all deficiencies that exist and ensure that we have decent housing for all; according to him “the market doesn’t provide enough houses to go around and certainly not at prices most people most people can afford.”

## 2.3 Asset Vulnerability Framework

The poor are not heterogeneous in nature. They have very diverse realities and are considered managers of complex assets portfolios. In order to better understand the urban poor and the complexities they face in relation to the external changes and be able to come up with relevant solutions and policies, Caroline Moser developed the asset vulnerability framework (Moser 1998).

It is an analytical tool that seeks to explain how access to resources or assets helps the poor cope with their vulnerabilities that stem from. Perceptibly, the logic behind the framework is to focus on what the urban poor have and how can they use it to make their condition better rather than looking at what they lack. The assets are classified into two categories: “tangible assets which include labour and human capital, less productive assets such as housing, physical assets as well as intangible assets which consist of household relations and social capital” (Moser 1998:1). In using this framework, there are four critical issues that have to be addressed namely:

### a. Differentiating between Poverty and Vulnerability

There is a close link between poverty and vulnerability; nonetheless it is important to make a distinction as these terms are quite different. Both terms are multi-dimensional therefore there is no standard definition; Chambers (1995:19) defines “poverty as lack of physical necessities, assets and income” while (Mohanty 2006:2) defines vulnerability as the “tendency of being damaged or potential for loss.” Moser (1998) further accentuated this definition adding that a study on vulnerability must contain at least two aspects; sensitivity and resilience which look at the ease at which well-being of individuals, households and communities are negatively affected by environmental, economic, social, and political changes and the capacity to be able to resist these



changes or the period of time taken to get back to their normal status that results in an increase in unsafe risk and insecure circumstances.

Furthermore, vulnerability is dynamic therefore better captures change. As described by Moser (1998:3) “people move in and out of poverty”; it varies depending on status, ties and context. It also seems that vulnerability is inter-linked whereby one leads to another hence the urban poor face multiple forms of disadvantages which are brought about by exposure to both internal and external insecurities. According to Rahman in (Moser 2007: 104) “sources of vulnerability are thus not only economic or a dimension of poverty but may lie in the nature of the social and economic environment in which households and individuals live in.” The lack of ‘proper’ and ‘affordable’ houses has been one of the push factors that drive the urban poor to live in deplorable, almost inhumane conditions. Equally, living in the informal settlements potentially puts them at risk as they are exposed to poor housing, low income, no access to proper health or education, poor drainage and sanitation, no security of tenure and lack of proper planning.

#### **b. Distinguish between Vulnerability and Capacities**

“Development is seen as a process through which people’s physical/material, social/organizational and motivational/attitudinal vulnerabilities or capacities are reduced or increased.” (Moser 1998:3) It is important to understand the difference between vulnerability and capacity in order to assess positive or negative development. In the housing context, the urban poor are not passive people who are always dependent on external help but are active participants at work to make their situation better amidst the unclear and volatile environment forcing them to live on the edge. They are capable to resist certain vulnerabilities through their own initiatives when given the necessary support (increasing their capacity) thus be able to live decent lives and access the benefits of being in the city. This encourages more of strengthening already existing solutions and reducing the limitations in order to grow.

#### **c. Relating Vulnerability to Asset Ownership**

The residents of informal settlements strive to reduce their vulnerabilities by accruing assets which can be easily disposed or liquidated if need be. Barrientos (2007) partly sees assets as buffers that can either increase or reduce the effects of vulnerability, he points out that it is the limited access to buffers that exposes the poor to risky conditions thus keeping them trapped in poverty. This attitude links vulnerability to asset accumulation as there is a belief that the more the assets the less vulnerable a person is. However, caution should be exercised as these assets can get depleted and are vulnerable to losses.

Moreover, in the urban context there are three characteristics that lead to different degrees of vulnerability depending on how particular assets interact. They include commodization, environmental hazard and social fragmentation (Moser 1998).

#### **d. Categorizing Coping and Asset Management Strategies**

Coping strategies refer to the tactics used by the urban poor in order to reduce risk and vulnerability. ‘Coping strategies describe strategies employed during crisis whereby coping means success in dealing with crisis’ (Davis cited in Dercon 2002:145). These can be individual or household tactics that the ur-

ban poor employ in order to make maximum use of the little resources that they have at their disposal. Alternatively, they can be tactics used by a group or whole society through collective action. Moser (1998:4) notes that ‘the capacity to respond to changes in the external environment depends not only on community level, trust and collaboration, but also on social cohesion embedded in household and intra-household level relationships.’ They vary according to context and can either be productive or counter-productive in the long-term or short-term.

In as much as the urban poor have numerous assets and strategies to survive and bargain for their rights, there is need for them to know how to manage them well in order to derive maximum benefits from their use as well as extend their life . Usually, it is important to distinguish between ‘income raising strategies’ and ‘consumption modification strategies’ that is those strategies that deal with increasing income, resources and assets or reduction on expenditure of existing assets and resources respectively thus keeping urban poor stable. As there is a limitation on resources, prioritizing is important as there can be a trade off as to which matter needs urgent attention (Moser 1998).

In light of this, the asset vulnerability framework has been contextualized in this research as a tool that comprehensively investigates the assets that Mathare residents have, how they use them to respond to the current housing market in Kenya and how these then affect them in their pursuit of better housing highlighting both obstacles and opportunities in the short and long run.

## Chapter 3 : Internal Dynamics

### Reactions by the Urban Poor

*Informal settlements as incubators for inventive survival strategies where inhabitants have begun to reclaim available spaces for multiple uses, develop their own specific forms of collaboration and cooperation and territorialize their connections both inside and outside the city.’ (Murray as quoted by Huchzermeyer 2011:26)*

The main focus will be to examine how the urban poor react to the present housing condition in Kenya and how these reactions affect their vulnerability in the long and short term. This is based on Mathare as a case study as I will use the primary data collected during fieldwork and secondary data from key reports and literature. It will begin with a brief outline of the history of Mathare and the slum villages’ profile; this will be followed by an analysis of the key findings through the assets vulnerability framework.

#### 3.1 Mathare’s Historical Background

The settlement’s history can be traced back to the period before Kenya’s independence in 1963 as the first occupants were said to be a group of independence freedom fighters. Despite various efforts by the government to evict the settlers, Mathare continued to grow in numbers. According to Pamoja Trust and Slum Dwellers International (SDI) report (2008) apart from the natural population increase, the increase was due to the people who were relocated and evicted families from neighbouring areas like Eastleigh and Kaburini squatter settlement. Furthermore, in the 1970s private house owners began mass landlordism at large-scale in order to take advantage of strategic position as Mathare is located close to the city centre. This also attracted more people into the settlement (Huchzermeyer 2008:28). However, these owners failed to provide titles as well as basic services which eventually led to a strain in the social amenities as they were not expanding as fast. The land where Mathare lies is partly owned by the government, private companies and individuals thus further complicates issues regarding tenure.

#### 3.2 Sample Villages Profile

Generally, slums are heterogeneous in nature which makes each village unique. Despite being in one area, Mathare, the five villages encounter different challenges therefore adopting different strategies to tackling them. Below is a summary of the villages highlighting differences in population, income, expenditure; all of which show their multiple realities.

	<b>Mashimoni</b>	<b>Kosovo</b>	<b>Mathare 4B</b>	<b>Mathare 4A</b>	<b>Mabatini</b>
<i>No. of household</i>	1,692	2,846	1,810	5,627	383
<i>Security of tenure</i>	Owned by Government (Airforce)	Owned by Government (have ballot papers)	Owned by Government (Police )	Communal Title (with the Church)	Owned by Government (RoadReserve)
<i>Average Income (ksh)</i>	5,372	15,000	9,282	10,000	6,767
<i>Average Expenditure (kes)</i>	13,447	11,933	12,665	11,795	17,364

4

In this research, Mathare 4A is considered as a special case as there has been successful implementation of a housing program through a partnership by German donors and the government. It is at a different level of vulnerability than the other four villages therefore taken into consideration for comparison purposes.

### **3.3 Asset Vulnerability Framework**

#### ***3.3.1 Human Capital as an Asset***

Moser (2007:29) defines human capital as “individual investments in health, education and nutrition, investments that determine people’s capacity to work and the return for their labour.” It is closely linked with economic and social infrastructure and services such as schools, hospitals, roads and water among others (Moser 1998). In slums, it is the access and affordability of these services that is measured in terms of how far does one need to go in order get public services and how much they have to pay for the same. A low human capital level affects the residents negatively as they are unable to investing in a person well-being to unlock their productivity for the moment and in future. The services include:

#### **Education**

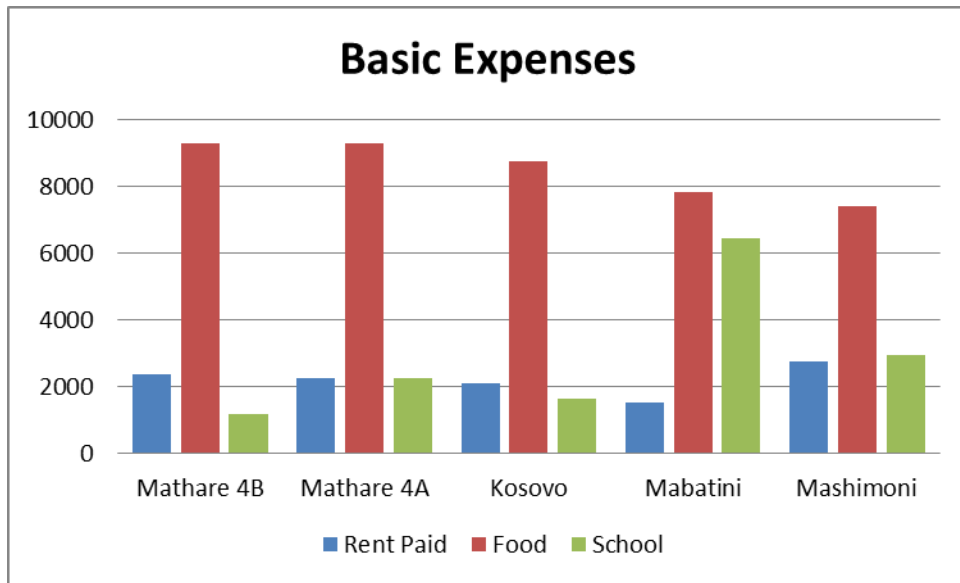
40% of the respondents in this study just have the basic primary level of education which shows basic level of literacy. Nevertheless, this level is not sufficient to get formal employment or earn a steady income. This pushes

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<sup>4</sup> Source: Muungano Support Trust and Slum Dwellers International et.al (2012)

Mathare residents to look for informal jobs that require low level of education but pay meager wages.

Due to the limited amount of resources, slum dwellers often prioritize on how to spend what little they have. While assessing the priorities of expenditure items across all five villages, education ranked as the third largest expenditure after food and housing respectively. This demonstrated the value and vision that parents have as they strive to send their children to school as they believe that it is an investment towards their future.



Source: Author's Own

Additionally, there are few public schools sparsely distributed within the area. Access to these schools is limited and restricted as a result lots of informal schools have mushroomed to cater for the needs of the community. Nevertheless, even though these provide basic education, they are unregistered and incomplete; they only go until class six or seven level therefore students have to register as private students or switch to the government schools for the final year. Other challenges include no proper classrooms, shortages in teaching material and staff all which are critical factors to facilitate proper learning thus jeopardizing the quality of education.

*Mary from Kosovo is a volunteer teacher in a make shift school within a Kosovo village. The class has over seventy students, all from different ages as any child can attend. She groups them according to age and tries to impart the basics; maths and English. She has two other teachers who help her out also on voluntary basis and only manages to have the classes running as the church hall is given to her for free. She says she has to do this for the children as their parents cannot afford to take them to a good school or even afford day care. The parents do not pay her anything and she purely runs it and survives by donations from well-wishers.*



**Picture 1: Mathare Advance Community Care Organization (MACCO) Informal School**



**Picture 2: MACCO Staffroom/Kitchen**

Kosovo and Mathare 4A are situated near public primary schools namely Mathare Mental and Mathare 4A primary school hence education is easily accessible to the children as they go short distances. Similarly, children from the other villages have to walk an average of 1.12kilometres to access the nearest primary school. As there are only few schools that serve the slum, the schools are as overcrowded and understaffed as the private ones.

There is an influx of students in public schools due to the free lunch provisions by the government. Despite the requirement to pay a small lunch fee for the children, parents prefer this as they can be able to save money as they only have to provide for two meals. For others, they ask their children to save some of their lunch and have it for supper thus save on two meals.

## **Health**

There is only one dispensary within Mathare slums. Upendo dispensary is centrally placed in Mathare although it is poorly maintained and under stocked in terms of equipment and medical supplies. From my observation, my impression of the dispensary as I walked past it was that it was deserted and inadequate to cater for the needs of the residents. For the estimated population of over 188,000 people as mentioned before, one dispensary seems insufficient.



**Picture 3: Upendo Dispensary**



**Picture 4: Upendo Pharmacy**

There are various private pharmacies and clinics within the slum but the quality of services is questionable. I interviewed, a lady 24years, Elizabeth who has a diploma in pharmacy and owns a clinic in the mashimoni village. She operates the clinic as a business and offers medical services to residents around. This poses as a great risk to the mathare residents as she is neither fully qualified nor equipped to offer health services.

Additionally, there are two public government hospitals that are accessible all residents of Mathare but are within close range to Kosovo and Mabatini villages. These include Mathare Mental hospital and Lions hospital (Huruma). Nevertheless, some of the residents who have accessed the hospitals complained of the long queues, hours spent waiting to see a doctor and the payment of consultation that is required.

Furthermore, the respondents did not set aside any money for health or emergencies as they usually earn the bare minimum to cater for their immediate needs. However, this varies; having a member who is sick and requires medical treatment increases vulnerability as most of the income is channelled towards medicines. Yunis (Mathare 4B) she has a child who is chronically ill and she and the husband have to set money for treatment *“it is very expensive as we have to go to the hospital every week and pay Kes 500 per visit.”*

Likewise, they were not keen to respond to the question on health expenditure and only three out of the fifty three respondents had medical expenditures. The rest were unable to estimate cost of health saying they only

handle it when the need arises. *'Hio ni ngumu kujua kwa sababu mtu huna hapangi kuwa mgonjwa' Grace (Kosovo)* (It is hard to estimate what is spent in health as people do not plan to get sick). The urban poor increase their vulnerability as what they often do is to postpone spending on health thus gets to seek medical advice when it is too late. They also self-medicate which is dangerous as one can easily misdiagnose resulting to worse effects.

## **Water**

Water is a daily necessity for life; one that a person cannot live without. Yet in Kenya, “sustainable access to water drops to as low as 20 per cent in the settlements of the urban poor where half of the urban population lives.”<sup>5</sup>

Mathare has many water vendors as well as water points. These are due to combined efforts as by NGOs, private owners and through community groups. However, these points are run as businesses and cartels which have led to the commercialization of water. The slum dwellers become vulnerable as the vendors operate the water points for profit thus it is expensive. Water costs like most costs in the slums are higher than anywhere else (Berner 2009). *The standard charge for water varies depending on whether it is a private or public vendor. A 20litre jerrican ranges from 2 to 5 Kes. This may not seem like much but as mentioned by a few respondents, they use at least five to six jerricans in a day.* This makes water a luxury item yet it is a necessity. In contrast to all the other four villages, residents in Mathare 4A do not pay for water as they have a communal tap and it is legally connected by the Nairobi Water Service, a government parastatal. This reduces their expenditure cost and assures the residents of safe water.

Moreover, most of them operate illegal connections the services are of poor quality leading to access to unclean water and subsequently exposing them to water borne diseases. Since one cannot do without water, some households also adopt some strategies to maximize the use of the little have either through using sparingly or improper recycling. Although this enables the family to economically save, it affects their health and the environment as it leads to poor hygiene and diseases. According to Huchzermeyer (2008) it is the poor planning and facilitation of services by the government that has led to commodification of basic services that result in mushrooming of informal businesses. These businesses in turn act as a source of livelihood for the slum dwellers thus explaining the increase number of water and food vendors within the settlement. Despite the high supply of services, the quality and cost is questionable as the sole purpose to engage in these businesses is to make a quick buck.

## **Drainage and Sanitation**

Drainage in Mathare is equally very bad; it is associated with open sewers, few toilet facilities thus people have to resort to retrogressive solutions that pose great threats to their health and well-being in terms of hygiene and transmission of diseases. *“Pesa ya choo ni expensive sana kwanza kwa watoto, kila mmoja*

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<sup>5</sup> Summary of the National Water Services Strategy 2007-2015- Ministry of Water and Irrigation (2007:1)



*wanataka kobole kobole. Ai mtu hushindwa. Wanaenda tu kwa mkebe halafu mimi ni-kienda nabeba naenda namwaga, hiyo ndiyo tunaishi.*"(Flo, Mashimoni 2014) (The charges for the toilet are too expensive especially for the children, they charge Kes 5 per child per visit. One cannot manage. They just use a tin then when I go to the toilet, I carry it and go dispose. That is how we are surviving.) Additionally, these public toilets are closed during the night thus residents have to find alternatives like the use of flying toilets. Only 21 % of the respondents I interviewed had access to a 'private toilet'. Private in this context meant a toilet that was being used by a maximum of twenty users. This takes into account the fact that most houses in Mathare are not self-contained and public toilets by community groups or government serve more than twenty clients in a day. There is also a charge for bathrooms where they charge a fee of Kes 10 per use, this poses a threat to personal hygiene as very few people would like to spend their money for showers.

As mentioned earlier, Mathare has two rivers passing through it. Unfortunately, in the Mathare context the negative outweigh the positive benefits of these rivers. First, during rainy seasons they flood hence those that are closest are affected. Secondly, the rivers are used as dumping sites or connected to the sewer system thus highly polluted and breeding ground for pests and mosquitos. Yet there are those who would use of the river water for domestic use, alcohol brewing among others to cut on costs but it is dangerous as it exposes them to contaminated water resulting in bad health.



**Picture 5: Mathare Open Drainage**



**Picture 6: Mathare River**

Equally, there are no sewer lines that connect the drainage of water and waste from the villages apart from Mathare 4A which has a planned and better drainage system . This adds to the deplorable state that people in informal settlements live in.

### **Roads**

There is no planning when it comes to slums. They are haphazardly set up and are characterized by hyper congestion, narrow footpaths, closely built houses to maximize on space hence making access difficult as there is restricting movement as well as restricted circulation of air. The houses are closely connected as the residents usually want to maximize on the space available. *One of the respondents, DO jokes saying that he literally owns just one side of his house as he has neighbours on every side other than where the door is.* Often, the risk of fires is high because of the illegal connections of electricity which is unregulated equally translating to high losses due to the closeness would spread faster.



**Picture 7: Space between the houses**

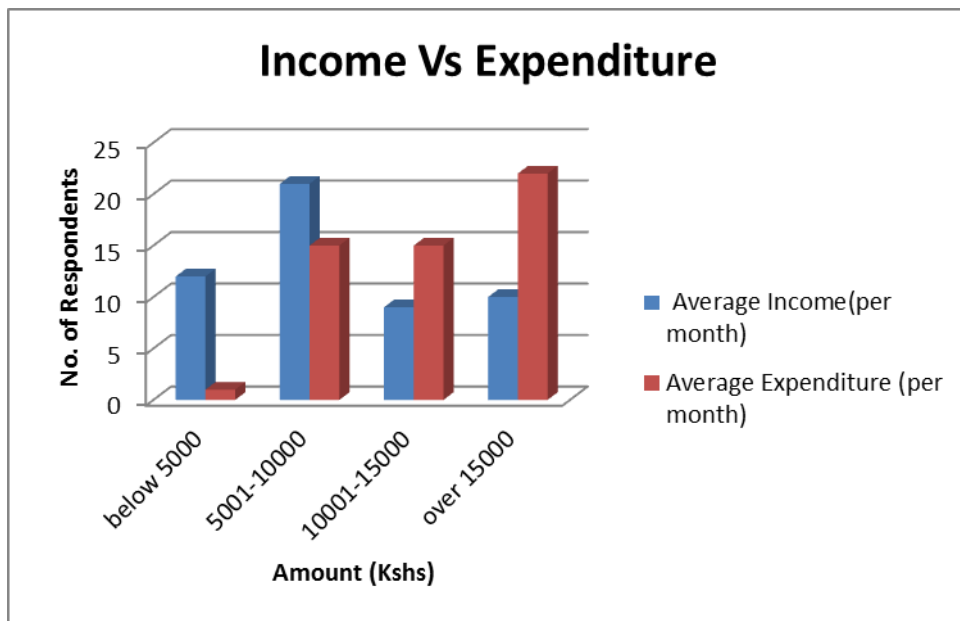
Mabatini, Mashimoni and Mathare 4A are situated near roads thus increasing their mobility. Due to the project implemented in Mathare 4A, it is better organized and has well tarmacked and spacious roads although some residents are adding on extensions therefore distorting plan that was set out.

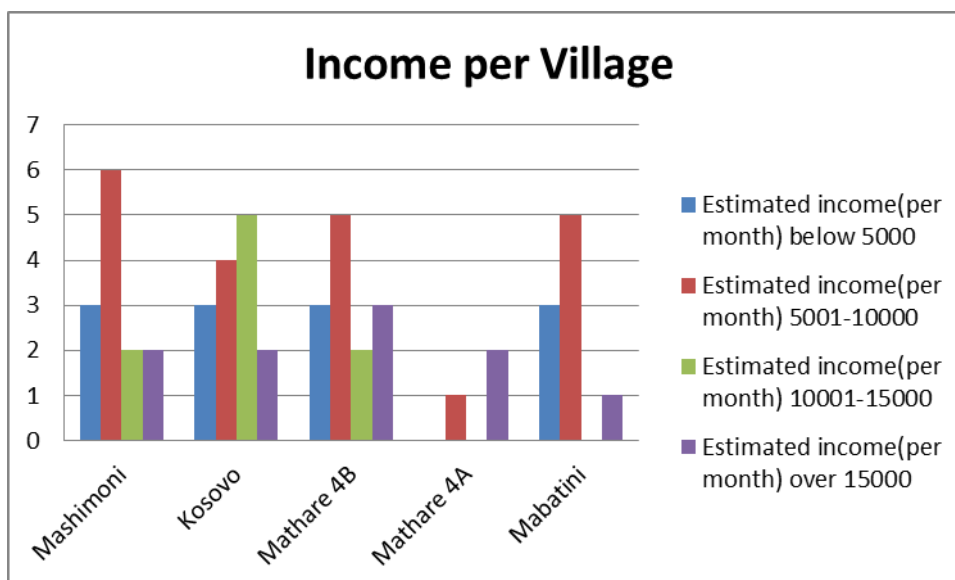
### ***3.3.2 Labour as an Asset***

Labour implies the work an individual undertakes whether in the informal or formal job market for some form of payment in monetary terms or in kind. Usually, the urban poor are at a disadvantage as they can rarely secure a formal job either due to lack of education or contacts. Due to this limitation in getting formal employment, they have to look for alternative ways to earn a living and meet their basic needs. This drives majority to venture into an array of informal jobs or become self-employed thus growth of the informal economy and businesses. Slum dwellers play a critical role within society as they are very entrepreneurial and innovative in coming up with unique business ventures to sustain their lives, provide for their families as well as supplying cheap labour by offering services to the rich. Perlman (1979) describes how the favelados (slum dwellers) in Brazil essentially help to perpetuate the system and facilitate its reproduction as they work in jobs no one else wants to do and buy things society has rejected. However, these informal jobs do not pay as much compared to formal as there are no benefits and allowances.

The main source of livelihood in Mathare is self-employment with 60% of the respondents engaging in small scale businesses which they have set up mostly within the slum settlement therefore sustain money circulation. The businesses are varied in nature as they range from appliances repair, tailoring, retail kiosks to food services among others. 23 % of the remaining respondents engage in casual labour like construction or domestic work and only 8% are formally employed and receive benefits like health insurance.

The average income for the respondents is Kshs 5,001-10,000 while their average expenditure stat over Ksh 15,000 as shown in the table below. Perceptibly, the urban poor live beyond their means which means no money to save or invest for the future as they live for the ‘right now’. One of the respondents I interviewed David (Mathare 4A) describes it as ‘*kuishi bakuna*’ translated as living on the negative. This is because he is caught up in a scenerio whereby he uses his current monthly income to pay for the credit used up on the previous month hence always operating on a deficit. The only reason he can survive to maintain this lifestyle and his family is the credit relationship he has with the local shopkeeper. Similarly, the other respondents have some techniques to help them get through the month. 16% said that they look for alternative short jobs to earn some extra money while 12% said they usually borrow from money from neighbours and friends.





Source: Author's own

Although it was not a common occurrence, 23% of the respondents have ventured into additional businesses or took extra jobs to supplement their livelihood. Given the nature of informal businesses where there is a mix of good and bad days, diversifying the source of income is an advantage as one can substitute one income for the other hence less vulnerable (Berner and Gomez et.al 2008).

Mathare is a family oriented community with three quarter of the respondents is married and have children. Based on the data collected in Mathare the average number of people per household is four. The family therefore has a high number of dependents mostly children who are reliant and do not directly contributing economically to the family's income, this increases vulnerability.

### 3.3.3 Productive Assets

These are also known as physical assets and include infrastructure and equipment among others with housing being the most important asset (Moser 2007). In Mathare, housing considered as an expenditure item and not an asset. 85% of the respondents are renters therefore not having security of tenure or ownership rights to the house. Out of fifty three respondents, I only interviewed three structure owners, which raises the question of where are the landlords that collect substantial rents from the Mathare residents are evidencing the existence of 'absentee landlords.' Rent payment varied according to village with Mabatini paying the least amount while residents in Mashimoni paid the most. Upon probing further, I realized that most residents pay the rent through a middleman thus do not know the structure owner. They have no one to hold accountable for the bad housing conditions or high rent.

Village	Mathare 4A	Mathare 4B	Kosovo	Mabatini	Mashimoni
Average Rent Paid (Kes)	2250	2375	2100	1514	2740

Source: Author's Own

Equally, the renter status limits them from making any changes or investments to improve where they live as maintenance is seen to be the responsibility of the landlord. Making changes to house may also mean that the value increases and thus become more appealing to other people and rent hikes. Additionally, due to the high rates of migration and for better mobility, one may not be staying at one area for a long period hence explains why most people prefer rented houses as opposed to buying or owning one. Vulnerability is further facilitated as rent is also not regulated leaving them at the landlord's mercy as they are often raised without reason or prior warning. The fact that there are no alternative affordable houses within the market and stiff demand, slum residents have no choice but to adhere. However, there are instances when it is used as an asset; a means to earn a living. One respondent Risper (Mathare 4B) uses her house as a place of work as she operates a salon business. This converts her house into a valuable asset that earns her a living. Similarly, Winnie (Mashimoni) operates an informal day care at the comforts of her house.

Majority of the houses in Mathare are made out of iron sheets with the exception of some few houses that are constructed using of mud, timber, stone and lightweight material for the walls. The houses are usually single rooms that are ten by ten foot in size which is usually fifty metres squared. This is relatively smaller than the standard size for a good formal house which is usually set as seventy metres squared as per the building regulation. As these houses are not inclusive of toilet/bathroom facilities, piped water or electricity connection as these services are provided for separately by private individuals who do it as a form of business; this actually increases expenditure. Due to the lack of proper policies and legislation the structure owners are not held responsible for providing inadequate housing.

Most of the land in Mathare is owned by the government. This is quite problematic as the residents can never be given the security of tenure reducing them to 'squatter' status for life. According to the by law, there cannot be no claims to government land leaving the urban poor vulnerable to evictions and political manipulation as can be used as leverage during elections. It is a sensitive matter as the assurance of ownership of land and houses is needed; the slum dwellers cannot totally embrace their situation hence cannot invest to improve their houses without a kind of assurance. Desoto as cited in (Buckley Kalarickal et.al 2005: 245) buttresses this fact as he advocates for land titling as "an essential mechanism for converting asses to usable wealth" thus the unlocking capital.

With regard to security of tenure, Kosovo is unique among the sample villages as most of the residents have ballot papers while in Mathare 4A they have a communal title that is kept by the amani church. These usually grants the individual a temporary occupancy right that entitles one to build or rent out a housing unit provided it is not a permanent structure. Likewise, the residents from Mabatini are also within the process of seeking ownership of the land they occupy which is currently owned by the Air force. The residents are trying to balance between lobbying, advocacies and earning a source of income; all which are were equally important factors regarding their housing status. However, it is non-beneficial to have a title that cannot be taken as collateral to secure a loan for the slum dwellers. This is because people in slums work in the

informal sector making it difficult to prove steady income therefore they are viewed as high risk (Buckley and Kalarickal et.al 2005).

The survey also uncovered other physical assets owned by the slum residents like machinery, furniture and equipment. The most common were television sets, mobile phones and radios. Although, most respondents did not mention this as a coping mechanism, there were a few who said that they would easily liquidate the few assets they owned in case of an emergency. In as much as this may offer a short term solution, the effects on the future life were detrimental. *Nelias from Kosovo is a tailor in the village. She is the sole breadwinner of the family as the husband is disabled and has to take care of her immediate as well as extended family needs. "Kuna mwezi mambo yalikuma mabaya ikabidi niuze machine yangu ya kushona ili nilipe rent, sasa inabidi nikodishe ili nishone...na si pesa kidogo." (there was a month income was low and I had to sell my sewing machine in order to pay for the house rent. Now she has to rent out one so as to keep her business going. It is quite costly) She has also started a soap selling business in a bid to diversify and secure the means of income.*

### **3.3.4 Social Capital**

Social capital is defined as “the rules, norms, obligations, reciprocity and trust embedded in social relations, social structures and societies’ institutional arrangements that enable the members to achieve their individual and community objectives” (Moser 2007:30). Generally, slum dwellers organize themselves in various community self- help groups and community based organizations (CBOs) to reap the benefits of collective action and also to improve their living standards and livelihoods. It is through these groups that they are able to exercise their agency, gain visibility and be recognized.

In Mathare, there are many community organizations, one popular group that is dominant is the Muungano ya Wanavijiji (MW), a movement of the urban poor formed by slum dwellers to address the challenges they face living within the slums specifically security of tenure and livelihoods. It is a member of Slum Dwellers International (SDI) an international network of urban poor federations thus links its members to a diverse network. As a community led, members are actively involved in giving their views, lobbying for their rights and mobilizing funds for the improvement of their situation through savings. Extra benefits of membership include financial and emotional support, credit facilities, education and security. It also promotes a sense of belonging to the individuals and gives them some bargaining power. One respondent, Fatuma commented during an interview ‘*mimi nimezalima ghetto, nikaishi ghetto na nikaolewa ghetto...nikihama nitaenda? Hapa ni nyumbani*’ (I was born in the slums, I grew up here and I got married here, if I were to move, where would I go? This is my home). Lucy and Cornelia, Kosovo who are members of Muungano are allowed to use a small piece of land owned by the CBO for farming. This has helped them as they are able to get their vegetables for their daily use. There are few success stories on the advantages of collective action, for example Huruma in Kambi Moto where resident through savings and partnership with other institutions were able to upgrade and secure decent housing at an affordable price.

However, there is confusion as to what type of an organization Muungano is. Officially, it is registered as self-help. To others, they considered it a CBO as it operates and fulfils its functions as one; while some see it is a movement. The assumption is that this is due to the less stringent requirements in terms of

registration compared to other options. There is no clear way of classifying it; however, one theme that runs across all views is that it is a community driven initiative. Equally, it means different things to different people depending on membership status, years in Mathare among other factors.

### **Challenges in Collective Action**

There are a number of issues that these community groups in Mathare face. First, is the issue of redundancy as many of the SHGs and CBOs have the same goals, objectives and target groups hence people typically find themselves in too many groups that repeat similar things. Clarice, a respondent from Mashimoni feels that these groups should merge and align their interests as they can be able to do much more while united.

Another key concern is the element of exclusion within these groups; the urban poor are a heterogeneous group made up of people who are at varied level with different capacities and resources. There are some requirements for membership that lock out many people from joining especially the poorest of the poor as they may not have the ability to meet the basic requirements for membership like registration fee, weekly charges or fines among others therefore not able to engage in the activities or get benefits. One resident (Nelias, Kosovo 2014) *‘Ningetaka kuingia muungano lakini bata pesa ya chakula haitoshi, wanataka membership na kila wiki mia moja, ukikosa ni fine... bata kupewa loan ni savings... sivezi?’* (I would really like to join Muungano (Self-help group) but even the money for food is hardly enough, they require membership fee and weekly payments of Kshs 100 and if you miss they charge you a fine... even getting a loan you need to have savings... I can't manage)

It is worth noting that during the interviews in Mathare, there were mixed feelings about community self-help groups as some respondents expressed a sense of mistrust and betrayal. They either showed dissatisfaction or mentioned that they had previously been members or revealed their plans to leave the group. Upon probing further, several stories of misuse of money and power by leaders, corruption and unequal distribution of resources came up; teasing out a lot of local level politics at play that probably slows the progress down. *One such example is the Muungano Investment. Their office is located near Mabati-ni village; it is a sub branch of the Muungano ya Wanavijiji group Mathare. However, it is privately owned by three muungano members who act at the top officials running the company. It is a small microfinance that specifically offers loans at low interests to groups of individuals. During an interview with the assistant director, I noticed that he was particularly guarded during questions on earnings, appointment of leaders and community participation. Equally, during other interviews within the slums a few individuals mentioned their distrust on the microfinance; they doubted the source of capital which facilitated the setup of the company and the ability to give loans. Perceptibly, members felt like they had siphoned money from the community group into the microfinance.*

Other respondents had a different opinion as they felt like the groups were dying, losing momentum in comparison to when they had first been set up therefore not relevant. Berner (1997) identifies this as one of the stages in the typical ‘life cycle’ of local organizations where there is a decline in activities which doesn't necessarily mean that it has failed as the social ties remain intact until a threat arises and the organizational structure is restored and resumes its duties. Unfortunately, most get to a certain level then do not transition to the actual full thrive they were set out to do. This is an advantage to the politicians

and the private landlords and structure owners as the slum dwellers cannot resist against them and the existing inequalities.

Additionally, within these CBOs issues of patronage may arise as there is a thin line that distinguishes between those who are CBO or influential leaders within community that have the best interest of all and those who are there to position themselves as 'community' representatives but act as gatekeepers for their own selfish gains. Usually, they have a sense of entitlement thus takeover the programs and resources, hoard information hence hinder progress. It is common knowledge to NGOs, donors and other investors that to successfully implement programs within informal settlements, there must be buy in and involvement by certain key people usually community leaders and trusted community elders. There must be an entry point or person to facilitate a smooth transition.

My 'guide' in Mathare (Wesonga) is viewed as an influential leader who has facilitated many projects to upgrade the village. In his conversations, he takes pride in what he does, as he is connecting the slums with NGOs, donors and investors and representing their views in discussions during seminars and workshops. Each place we go, he is greeted as 'chair' short form for chairman buttressing the fact that he is well known and respected among the valley. Occasionally, he stops to whisper to a few friends of an upcoming project which they should be prepared for. He is my last respondent for the research and interestingly I learn that as he since he is seen as the 'pioneer' of an abolition block within his village; as a sign of respect, him and his family use the facility without paying thus enjoys free water and toilet use.

Astonishingly, the urban poor are aware of these patrons and their exploitative nature yet they cannot do much about it which consequently leads to the 'Faustian Bargain'; a discounting of the future in favour of survival in the present...' (Wood as cited by De Wit and Berner 2009:931). They are caught in between a crucial situation as they have to constantly weigh trade-offs as they have to decide whether to live better today or to live for the future. They try and use these connections to forge ahead and to their benefit when they can.



## Chapter 4 : External Environment

The chapter will seek to understand how different external social, political, economic and cultural factors affect Kenya's housing sector. This will be centred on the existing gaps in housing and how they affect the vulnerability of people living in slums by looking at two perspectives; the stakeholders and policy perspectives. At the stakeholder's level, the paper will seek to understand the contested spaces between market and state and how their actions counter or support the efforts of the urban poor to access affordable and decent houses. The policy level will then explore the current housing policies and programs and their outcomes.

### 4.1 Stakeholder's Level

*Traditionally, the main actors in urban housing and service provision in Kenyan cities have been the state, the private sector (both formal and informal), and community self-help efforts. (Otiso 2003:222).*

#### 4.1.1 Government

As pointed out during the introduction, the Kenyan government lags behind in providing cheap and affordable housing for its people as it only manages to meet about 23% of its housing needs each year. Consequently, in its mandate to offer housing especially for the low income earners, the government is viewed to have failed; a failure that has ultimately led to the growth of informal settlements.

*Social housing has collapsed; it previously used to be there with the municipal and city council houses. It was quite affordable and subsidized, back then the government was working but over time this has changed. They allowed the private sector and market forces to come in, aligning their interests to making profits (capitalism) and providing services to the middle and high class cutting out the low income earners completely. Now the sector is in a desperate state. There is no additional housing which makes them turn to the informal settlements. (GW, 2014)*

In Mathare, there is a unanimous ranking of the government support within slums as low. Generally, 84% of the respondents feel that the government has failed in terms of providing low and affordable housing as well as access to basic services and social amenities thus infringing on their rights and increasing their vulnerability.

*"...tunanunua kila kitu, stima, maji mpaka choo." (we buy everything, electricity, water even toilet facilities) (Sam Mwangi, Mabatini 2014)*

According to Gulyani and Talukdar (2008) one problem they encountered while conducting research in Nairobi's slums was the lack of reliable and accurate statistics of the people living in slums. There seems to be no deliberate effort by the government to get accurate housing statistics and information on informal settlements thus making difficult to attempt to gauge the extent of the problem. This data is particularly critical in policy formulation as well as decision making as it leads to rationale and conscious solutions. The lack of data poses as a challenge as any organization that wants to work in informal settle-

ments has to first do a baseline survey which takes up a lot of time and resources; the individual surveys also lead up to wide-ranging discrepancies in data. Conferring to (Huchzermeyer 2011) there are numerous controversies over the actual count of population in Kibera as it is associated with over counting and falsification of number to fit specific interests is a clear indication of such inconsistencies and their effects. Similarly, the actual number of Mathare residents varies as mentioned earlier in this paper. This makes it hard for government to plan, implement or evaluate impact of programs and policies within the settlement yet easy for elites to manipulate the data and use it to their advantage.

Notably, there are few legal and regulatory frameworks in Kenya with regard to housing. These were formulated during the colonial period and have gone through periodic amendments to fit in the current times and contexts. However, this has not been possible as most of them are still not applicable and unrealistic. In a stakeholder's conference in Italy, Kenya's building code was identified as one of the constraining factors for building affordable and progressive housing as well as increasing access to housing finance despite the 1995 amendments (Rockerfeller Foundation 2005). This code automatically places residents of Mathare at a disadvantage as all informal settlements are in breach of most of the standard requirements rendering them illegal. Moreover, according to (Muungano Support Trust and S.D.I et.al 2012: 55) if the legal and standard thirty metres river and road riparian requirements by National Environmental Management Authority and United Nations Environmental Program were followed to the latter in Mathare then about 22,146 residents would be affected. If a performance standard is used it would "achieve greater ecological protection of the river" and fewer people affected therefore offering a safe yet reasonable solution.

Margaret, a key informant from the NGO sector identifies inconsistency in follow up by government officials as a major issue that slows down the progress of slum housing improvements. This can be attributed to the informal processes and unofficial communication as usually the interactions between the slum dwellers and officials are not recorded or well documented making accountability difficult. There is also a high turnover of government officers which at times results to the slum dwellers starting from scratch as each one comes with own their own way of doing things as they are not bound by the commitments of the previous official. The same thing also occurs during changes in political regimes as most times progress made during one may not be supported in the next.

#### ***4.1.2 Market***

As mentioned earlier, the private companies venture into the housing market to focus on providing financial services and assistance. Often, they offer financial capital through banks and microfinance in form of loans, credit facilities and mortgages. However, most of their requirements are considered to be too rigid, too expensive and too demanding for the low income earners. Usually the banks and the microfinance institutions require collateral which can be a house or land title or a steady income to gauge a borrower's credit worthiness. All these are problematic as the urban poor have neither titles nor steady incomes.

As shown in the table below, 75% of the respondents had not taken a loan in the past year and of the 25% that had, most had taken loans from the CBOs and from family and friends.

Taken loan	Frequency	Valid Percent
Yes	13	24.5
No	40	75.5
<b>Total</b>	<b>53</b>	<b>100</b>

Source: Author's Own

In Mathare, most respondents are not aware of any market initiated housing program being implemented in the slum; 36% of those who had an idea about any private companies or banks had seen advertisements on some of the initiatives on television but never within mathare.

*“these people (private banks, mfis and private companies) cannot operate in slums as they consider us high risk and they probably fear, for most people repayment is an issue.” (AK from Mashimoni)*

In Kosovo, there were two respondents who mentioned Jamii Bora Bank (JBB) as having helped them improve their houses by providing them with new iron sheets. Additionally, it is considered to be one out of four innovative microfinance institutions in Kenya that touch on housing (Rockerfellar Foundation 2005). I, therefore, opted to interview one key informant from the bank to find out more about the various low cost housing projects they have. From the history of bank, it was clear that the main vision was to offer banking solutions for the low income earners. It started as a savings and credit co-operative (SACCO) in 1999 with 50 street families who wanted to find financial solutions to their problems (*See Appendix 1*). Since then JBB has evolved and in 2010, it became a bank. This brought about the need to diversify its products to not only include housing but other services that target low income earners like businesses (SMEs), motorcycles, kiosk and vegetable vendors. It also affected the rates and the operations as it is needs to operate under the banking legislation which is more stringent and demanding. The bank is open to having more low income earners seek loans from the bank but they have to charge slightly high interest rates in order to customize the products to fit their needs as well as the mitigate the risks of defaulters (IG, JBB 2014)<sup>6</sup>.

Formal construction of a house taking into account the land, materials and labour costs is expensive. Kenya is characterized by rapid rate of inflation which affects the market prices of the input factors for housing like land or building materials like cement resulting in higher prices (Aden 2012). Additionally, the fee for subdividing land and the process for regularization is as costly and takes a lot of time. All these costs reflect on the final cost for a house thus too expensive for the urban poor.

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<sup>6</sup> Key Informant Interview – Irene Gakii at Jamii Bank Bora Headquarters Koinange street

## 4.2 Housing Policies and Programs Overview and Outcomes

Kenya is considered one of the countries that has to have some of the best policies nonetheless they are often referred to as 'book shelf policies' as they appear good on paper but there is minimal or no implementation on the ground. In addition to this, there are a lot of politics and power relations issues that are weaved in the policy level therefore any instability or changes in these areas like change in political regimes or war greatly affects the policies.

Currently, there are two key policies that directly touch on housing: The Kenya Housing Policy of 2004 which seeks to facilitate financing through budget allocations, increase investment by local and international partners, encourage participatory approaches and funding for research to enable the poor to gain access to decent housing and the National Land Policy (2010) which holds the government responsible for the regularization of informal settlements that are found in public lands. These are the provisions by law that protect and promote housing needs for the urban poor. It protects them from demolitions and evictions. Although they were drafted with the whole society in mind they are translated differently on the ground depending on the context and status. Furthermore, equal representation matters during the formulation, amendments and implementation to ensure that all the needs of the people are represented. Majority are made by elites out translating to inadequate policies. The urban poor are at a structural disadvantage as they are usually the most affected in such policies yet have minimal representation or voice when decisions are being made. Davis (2006:68) highlights "even where the slum poor have a right to vote, they can seldom wield it to effect significant redistributions of expenditures or tax resources."

In terms of housing programs, Kenya has over the years transitioned from suppressive to more accommodative and enabling approaches towards informal housing. The two significant government programs that deal with housing are Kenya Slum Upgrading Program (KENSUP) and Kenya Informal Settlements Infrastructure Program (KISIP). In this research, I will focus on KISIP as talks are underway to include Mathare as one of the targeted areas. The program was approved and set to begin in 2011 but was only started in late 2013. Mr. CK, an official from the Ministry of housing attributes the delay to political tension and fears of the March 2013 elections as well as the changeover in government. The country was in a political mood and rolling out a project at the time did not seem feasible. Equally, KISIP is a donor funded project thus highly bureaucratic with certain systems and protocols to be followed. In as much as these minimize the issues of misappropriation of funds and corruption they also slow down the process as a lot of time is taken for the back and forth conversation before a decision is made.

KISIP has four main areas of focus, these include:

- Institutional Strengthening and Programme Management of the Ministry of Housing, Ministry of Lands and the participating Local Authorities (LAs) as the Government seeks to strengthen its own capacity.
- Enhancing Security of Tenure which involves planning, surveying and issuance of titles.

- Investing in Infrastructure and Service delivery whereby the Government will invest in roads, bicycle paths, pedestrian walkways, street and security lights, waste management, water drainage, sanitation, green spaces, platforms etc. in the informal settlement spaces.
- Planning for Urban Growth as lack of adequate planning is a big challenge.

Indeed, KISIP is a good initiative as it is grounded on the ‘site and services’ approach where the government aims to provide support by improving the infrastructure and social amenities in informal settlements. The rationale behind it is that by catering for the public goods, the residents would be able to invest in better houses. Nonetheless, there are some relevant critiques and concerns like how the different stakeholder needs and power relations were incorporated in the program or what was the predicted impact of the intervention on the community before it was rolled out in order to assess feasibility, outcomes and sustainability of the project among others. Additionally, the criteria for selecting the target areas was bias as they targeted areas where *there is not much politics and land issues* (CK, 2014) therefore excluding most of the informal settlements especially those in Nairobi which house a vast majority of people.

Correspondingly, if the program itself is not properly implemented it leads to more harm than good. According to Huchzermeyer (2008:22) ‘Improving the infrastructure may have the effect of increasing rent speculation.’ As the government improves infrastructure, it changes the housing market by raising the market and rent value of the house making the houses unaffordable for the low income earners whilst increasing demand for the middle and high income earners. This further leads to gentrification as those who can afford to pay the rent in those houses takeover yet, they are not the targeted beneficiaries. If there are no appropriate accompanying social and economic enabling measures put to support the poor households, this may mean either an increase to housing expenditures which the poorest households will not be able to afford or movement of the poorer households to other areas thus new slums. Both outcomes demonstrate how it is the poorest who suffer the most in the case of inappropriate policies and programs.

According to one key informant, George (CSUDP) describes KISIP using the ‘first aid’ analogy whereby the program does succeed to put many ‘issues under control’ for the moment as there are some improvements in the living standards of the urban poor but it offers no long term solution to the housing predicament. He highlights that the government should not stop at that but should ‘diagnose the full disease’ that is keep looking until long-term solutions are found. While looking at housing poverty, governments should not look at the short – term benefits but focus on future (Berner 2009).

Within the Mathare context, the respondents have very little knowledge about any housing policies that deal directly with housing. The knowledge on official intervention programs with regard to housing is slightly higher. There are those who mention that they have heard of projects like Kambi Moto or Kibera and they appear to be mostly members the MW. This could be due to the strong network that the organization has with members of other informal settlements that exposes them to interact and learn from other slum dwellers. Also as cited earlier, many residents view Mathare 4A as an ideal example of

what the government should be doing in order to assist them in their pursuit to better housing.

## Chapter 5 : Conclusion

Perceptibly, the persistence of housing poverty continues to affect the social, economic and human development of many developing countries, despite numerous interventions. Sadly, the conventional top-down responses employed by governments and the market are barely scratching the surface of this predicament. They have a slow trickle-down effect as there is very little, if any, change observed at the local level. Nonetheless, the upward push adopted by the urban poor that seems to be producing plausible solutions for adequately addressing housing shortages, is being constantly repressed and ignored. This study looked at the different actors within the housing sector in Kenya highlighting the current tensions that came about as a result of their interactions and interventions that aimed at providing the urban poor with decent housing. Nevertheless, these interventions seem to have generated an inverse response as vulnerability increases. This therefore, raised the question, where are we going wrong? But then again, how can we expect different results yet we use the same old repressive and restrictive tactics?

It is therefore, important to begin analyzing this issue through a different perspective. First, it should be acknowledged that housing poverty is a multi-dimensional problem; thus there is no one solution but a mix of interventions that should be employed to simultaneously handle the different factors. In this way, the problem is handled holistically as other inter related issues are addressed such as unemployment, security of tenure issues among others. Concurring to (Cheseto 2013:22) “Fractional slum policies and programs, which have aimed to address one or a few aspects of slum thus ignoring other components, could only perpetuate the existence and expansion of slums. In order to start reversing this way of thinking, future slum policies should engage in a more holistic and comprehensive approach that will not only integrate factors of emergence and growth of slums.”

Likewise, the housing sector comprises of different stakeholders who have different agendas and approaches to the predicament. These divided efforts have equally translated to varied interventions, although none has made a significant difference. Perhaps, a more feasible solution is one that would foster a complimentary relationship between all housing stakeholders, whereby partnerships and combined efforts are embraced. This will most likely produce better results because the strengths are reinforced through the minimization of gaps, as a shortfall of one actor may be covered by the strengths of another. Otiso (2003:221) argues that “tri-sector partnerships involving the state, voluntary and private sectors offer a promising solution to the housing challenge because they allow participants to mitigate their weaknesses in low-income housing and service delivery by tapping the strengths of other actors. Thus, the provision of housing and basic services to low-income urban residents increases.” A good example of a project that involved multiple actors is the Kambi Moto, Huruma whereby the government offered to give the community the land thus gave the residents an assurance of security of tenure. The market, donors and NGOs were involved in the provision of services, technical and financial support. This coupled with the community’s participation through

their savings and providing labour led to a well-coordinated successful upgrading (as narrated by Margarate, 2014)<sup>7</sup>

It is also important to accept and incorporate some of the successful lessons from the urban poor into current policies and programs as they are more effective and relevant in the current times. This will result in a more flexible and accommodative environment that will encourage more people to invest in their housing, more so the low income earners. Hardoy and Satterthwaite (1989) argue that with a bit of support and government regulation, the urban poor can be able to thrive and alleviate the issues at hand. Usually, the efforts by the slum dwellers are at a small scale level as they can only use the little resources that are available to them. For instance, the government can offer them land or provide services and infrastructure or allow performance based standards with regards to safety.

As this study is focussed on the vertical-level relationship between the state and market, as well as, how their interactions and interventions affect the vulnerability of urban poor, future studies can go further to investigate the horizontal-level relationships. This is because the state, the market, the urban poor are not homogenous group; there are factors that can culminate into alternative outcomes due to their major differences. In addition to this, a gendered study on the inter and intra level relationships between the two actors can be conducted to identify the different experiences and implications that might culminate from this relationship. There can be also a study on other non-state and non-market actors like NGOs and CSOs and the role they play within society as they also not included in this study.

In conclusion, it is important to remember that this is not a struggle that can be summed up with one 'winner' or one 'loser' kind of trade-off but through compromise, there can be a partial win for all the stakeholders involved and an environment whereby safe and secure housing for the low income people can be achieved.

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<sup>7</sup> Key Informant Interview by Margarate - at Cooperative Bomb Blast memorial at 12noon on 29<sup>th</sup> July 2014



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## Appendix 1: Key Informant Interview

### Jamii Bank Bora Headquarters Koinange street – Board room at 2pm on 25<sup>th</sup> July

#### Introduction

I am a student at the International Institute of Social Studies currently pursuing a Master's degree in Development studies. I am conducting a research on housing poverty in Kenya, specifically Mathare. I did a short survey there and JBB kept popping up while in conversation with respondents; especially when asking about current market interventions with regard to housing, they mention some financial assistance and support in getting building materials to improve their houses and livelihoods. I was then curious to find out more on the type of programs JBB has regarding the urban poor.

Irene Gakii is the acting head of Mortgage, taking over from George; she has been with the organization for over five years.

Irene begins by giving a brief history of JBB. The founder is called Ingrid Munro who was passionate and could do anything to help the less fortunate. The journey began as a SACCO in 1999 with 50 street families that used to contribute 50ksh per week. The money was then pooled together and was used to buy land in Kaptei with the help from City Finance; they came up with low cost housing of Ksh350,000 under tenancy purchase agreement.

**Could you please clarify what tenancy purchase means?** A person is given the house and the price is set. They can pay throughout their lifetime and whatever amount they can afford until they finish.

The SACCO grew to a Micro Finance in 2005. Since City Finance was operating in losses, the JBB brought it off in 2009 and in 2010 it became a bank; this meant there is need to diversify its products to not only include housing but other services that target low income earners like businesses (SMEs), motorcycles, kiosk and vegetable vendors.

Kisaju is a current low cost housing project which has units in different phases. They aim to raise finances from savings. However the market value for 350,000Kshs was phased out.

The bank has 2000 MFI groups in number thus requires a large workforce and manpower to train them in business, accounting and table banking. Additionally, they do follow up on the businesses/ individuals who have taken loans to reduce the risk of defaulters. 'Key is in close monitoring' as they make visit to their homes (draw maps) and meet their neighbours. They further manage the risk by having the co-guarantors who are liable in the case that one defaults and claim valuable assets to recover the money.

The requirements include group formation, saves with the bank for at least a month in a pool account. It is possible to borrow as an individual based on the group support. The same model applies for housing.

The bank does receive funding from external partners like Shelter Afrique, Acumen and the Government (WEFund) However, their funding comes with certain restrictions that have to be adhered to. An example is Acumen that only allow a mark-up of 12% and the maximum lending rate is at 6%. The WE-Fund gives 160million per year but regulates it to a rate of 8%. As the demands

or need for funding is high, the bank has to have a system of eliminating and in allocation of the funds. Priority is given to existing and credit worth clients.

**How do you manage these relationships?** The bank has a special department for managing portfolios and relationships which negotiate and ensure business needs are met. Their main focus is to build capacity and grow with the client.

**How do you ensure that they are known and they serve the needs especially for the low income earners?** Irene believes that they need not spend money to advertise about their products as they are well known especially by locals and in slums because of how they began. They also try not to be too rigid so as to allow leeway for creativity and participation by their members when it comes to money they give as loans. Furthermore, they customize products to suit their clients' needs for example they have products ranging from boda boda drivers, small scale farmers, mandazi vendors and their terms are different.

**How would you describe the housing sector in Kenya?** It is a challenging sector that is characterized by a high demand for housing and a limited supply. However, to her the issue is not that there is no supply at all, but the supply is of the wrong type of houses. Irene gives an example of how there are many apartments vacant in Milimani that cost 15million, apartments are put up every other day but there is none for a lower price that is affordable for the middle and low income earners. The gap lies in supply of low cost housing.

Nonetheless, she does not blame the people who are in real estate. The cost of construction is high not forgetting the high cost of building materials; getting government approvals and following all building regulations also contributes to raising the cost making the process too costly resulting in expensive houses.

**What is the role of JBB in this sector?** They have recently formed a department for affordable housing. It seeks to give alternative solutions to facilitate accessibility and affordability of decent housing as the conventional way is difficult to be sustained in the long run. They already have a portfolio of 263 clients and the opening of a factory is on 1st August 2014.

They also have a project called a KOTO housing- financing solution that seeks to provide affordable housing to all Kenyans. It has two plans whereby the bank can assist in financing a person to buy land and afterwards for the house or if one has the land, they just finance for the building of the house.

**Who is the target group for the project? Is it accessible for low income earners?**

It is for anyone...they follow the same standard requirements as mentioned above. The clients vary from being formally employed to self-employed to contract as the product is customized. They offer 100% for land or 100% for building or both depending on the person's ability and capacity. Realistically, this is suited for the middle and high income earners.

