

**CHALLENGES OF DELIVERING LOW-INCOME HOUSING:
A CASE STUDY OF THE BUILD TOGETHER PROGRAMME OF
NAMIBIA**

BY

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ABSTRACT

A common strategy in dealing with housing shortages is the provision of loans to low-income groups. Tried in many countries for a very long time, this approach has produced a common phenomenon - poor servicing of loans. Thus, an empirical study was undertaken in Namibia, using the country's Build Together Programme as a case study. The aim of the study was to understand how the livelihood circumstances of the beneficiaries might be contributing to their inability to meet their loan obligations.

The BTP's beneficiaries and the housing officers at both local and national level constituted the study's respondents. Housing officers responded to questions in an interview schedule while the beneficiaries were engaged using an interviewer-administered questionnaire. All beneficiaries were purposefully identified on account of outstanding arrears on their loans. Reviewing of literature covered the challenge of urban housing and strategies used to address it at both global and national level, documentary analysis on government documents to provide information on establishment of BTP and lastly, the direct observation of the concerned sites. The study focused on BTP in Windhoek (WHK) particularly in two settlements, Katutura (a formal settlement) and Goreangab (an informal settlement).

Poor servicing of loans was shown to be closely associated with the socio-economic circumstances of the beneficiaries. This suggests the importance to recognise that housing is not just about the physical structure called a house, but there are other more subtle but equally important considerations that need to be met. Issues such as reliance on wage labour and large household sizes combined in ways that placed limitations on their ability to service the loans. An important conclusion from the study is that understanding beneficiary' constraints and their livelihood strategies might be a very important step in future housing policy actions in Namibia. The study also highlighted concerns about the programme such as inadequate communication. Some recommendations are provided, prominent among them being the need to strengthen the training component so as to assist the beneficiaries with some of the issues, e.g. budgeting.

The study consists of two components: A and B. Component A comprises the study background, the problem statement, aim, objectives, literature review and methodology. Component B is presented as a research paper for publication purposes and complies with the requirements of the selected journal (Appendix six). For the purposes of the paper, relevant information from component A on the purpose of the study and methodology are incorporated in component B.

PREFACE

The research described in this mini-dissertation was carried out at the Centre for Environment, Agriculture and Development, University of Natal, Pietermaritzburg, under the supervision of Prof. R. Fincham and Dr. N. Nyambe.

This mini-dissertation represents the original work of the author and has not been submitted in any form for any degree or diploma at any university. Where use has been made of others' work, it is duly acknowledged in the text.

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ABBREVIATIONS

BTP - Build Together Programme

CBD - Central Business District

CBO - Community Based and non-governmental Organisation

CRIAA - Centre de Recherche – d'Information – d'Action pour le development en Afrique

GDP - Gross Domestic Product

GNI - Gross National Income

GRN - Government of the Republic of Namibia

KfW - Kreditanstalt für Wiederaufbau

MRLGH - Ministry of Regional and Local Government and Housing

NGO - Non-Governmental Organisation

NHAG - National Housing Action Groups

NHE - National Housing Enterprises

OECD -Organisation for Economic Co-operation and Development

OSHIP - Oshakati Human Settlement Improvement Project

SDFN - Shack Dwellers Federation of Namibia

UN-HABITAT -United Nations Habitat

UNCHS - United Nations Centre for Human Settlements

UNDP - United Nations Development Programme

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Chapter 1

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

This mini-dissertation is about the challenges of providing low-income housing in a developing country urban area context. The study emanated from the recognition that while the provision of formal housing is a well-acknowledged challenge, its delivery in most cases encounters many challenges (Marsden and Moser 1990). Inadequate housing is so common that it is often regarded as a physical manifestation of poverty (Marais *et al.* 2003). Taking poverty as a starting point, this study was premised on the view that the urban poor are too strained in terms of income to meet their monthly obligations in the event of being beneficiaries of a low income-housing loan. Novel approaches that recognise the socio-economic situation of beneficiaries, and more importantly, their sophisticated and yet vulnerable livelihoods are needed in order to safeguard loan schemes from the shock of poor servicing of loans given that the beneficiaries are strictly speaking 'high risk' clients.

Housing is an example of the many challenges faced in urban areas and it is associated with various other factors such as financing, accessibility, services and general quality of infrastructure. The reality is one of heightened anxiety as many countries, especially in the poor parts of the world struggle to provide decent accommodation to the ever increasing urban populations. Emergence of illegal settlements, often characterised by poorly built structures, lack of services like water and sanitation, and often settled by poor people has led to greater awareness of the difficulties of affected individuals.

One of the biggest challenges facing the world today and in the foreseeable future is the rapid growth of human population. Global population continues to increase considerably, especially in urban areas where the number of people is increasing rapidly (Tarver 1994). Millions of people are added to cities every year predominantly through urbanisation, which implies more

infrastructure, housing and service needs for cities. Because of urbanisation in developing countries, half of the population in Africa and Asia will be living in urban areas by the year 2015 (Carley *et al.* 2001). Consequently, in the cities of many developing countries, urban planning and infrastructure has grown slowly and lagged behind the actual growth of cities. Fast growth of urban populations has led to a variety of infrastructure and service challenges, for example, in water supply, sanitation, transportation and housing delivery (Tarver 1994).

Housing is particularly problematic because of the linked problem of urban growth through informal settlements. Growth of informal, popularly known as squatter settlements and poorly planned structures, is a growing challenge for city managers and planners. It is a challenge because not only are such structures outside the planned city expansion zones, but they also create added demands for services and infrastructure. Added to this is the poor quality of such structures, which often fall below the safety standards required by the authorities. Addressing housing and related problems is critical. According to Seckelmann (1997) the solution to housing problems can only be achieved through a permanent strategy because it is not a short-term issue.

Namibia shares the problem of squatter settlements in the urban people, especially in the capital city, Windhoek. With an estimated population of 1 826 854 (Government of the Republic of Namibia [GRN] 2002a), nearly 13% of the population of Namibia is in Windhoek. Surrounding Windhoek are informal settlements such as Havana, Babylon and Goreangab. Since 1992, as part of a long-term strategy to address the housing problems in urban areas, the Namibian government has been funding an initiative called the Build Together Programme (BTP). This initiative and the informal settlements in Windhoek are the focus of the study being proposed.

1.2 Problem statement

The Build Together Programme (BTP) was established to facilitate housing loans for new housing construction and to provide building materials at affordable cost to low-income families in Namibia shortly after independence (GRN 2002a). The programme presented opportunities for improving services and infrastructure at both the individual household and the community level. However, as with any loan scheme, implementing the BTP has not been without problems. The success of the BTP implementation depends on the extent of loan-recoveries over time. From the management point of view, BTP has a problem of poor loan repayments. Added to that is a problem of lack of completion of houses. These two problems might reflect badly on the BTP because they undermine its goals and aspirations.

Understanding the factors for poor loan payment and all the related issues such as incomplete structures are critical for the future success of BTP. Thus, this study sought to explore, from the beneficiaries' point of view, the above-mentioned problems and how their livelihood circumstances might be contributing to their inability to meet their obligations to BTP. Livelihoods circumstances of the beneficiaries are critical to understand because any effort to improve poor loan payment and incompleteness of structures, which in turn will improve the housing situation, has to start by a thorough understanding of the livelihoods of the intended households for the projects to be sustained (Seckelmann 1997).

Livelihoods are commonly described as consisting of various assets (social, natural, human, physical and economic) and it recognises the multiple activities that the households are engaged in to improve their living conditions (Ellis 1998). Sustainability of livelihoods hinges on sufficient contribution by each of these forms of capital (McLeod 2001). This broad perspective about livelihoods is not the one adopted in this study. The focus here is on the economic aspects of the respondents as influenced by their income generation and other socio-economic circumstances. Financial capital with underpinning issues of wages, savings, supplies of credit and other imperatives is critical to the provision of shelter in urban area (Rokadi 2002). Hence, the focus of this study revolves around the economic aspects of the beneficiaries' livelihoods as opposed to covering the various forms of assets outlined above. This approach provides an opportunity to explore some immediate major concerns such as

how best the housing opportunities are utilised and enhanced while remaining consistent with the principle of the BTP of understanding the financial circumstances of the urban poor and the potential implications for servicing housing loans.

1.3 Aim and Objectives

The aim of this mini-dissertation is to develop an understanding of factors and concerns of BTP beneficiaries that contribute to poor loan repayments and non-completion of houses, and how these might impact BTP initiative. The objectives are:

- Develop insights into the beneficiaries' background and their socio-economic aspects that can be used to understand their livelihoods.
- To collect relevant data on factors and concerns that contributes to poor loan repayments.
- Use these data and analyse how these situations might influence their obligations to BTP and impact on BTP initiatives.
- To make appropriate recommendations based on the research findings

The above aim and objectives are based on the appreciation that the BTP arose out of policy directions to address the growing urban housing problem in Namibia. The BTP is a strategy - a specific set of initiatives involving collection of resources, distributing those resources and project implementation.

1.4 Overview of mini-dissertation

This mini-dissertation comprises two components: A and B. Component A is made up of the first three chapters, the first of which is the foregoing introduction to the study. Chapter 2 provides a review of literature and sets the study context. Chapter 3 describes the study methods and approach followed in collecting, interpreting and analysing data. Component B is a research article written to the specifications of the South African Geography Journal (Appendix four). It provides background to the study, methods, results and discussion of the findings.

Chapter 2

A HISTORICAL REVIEW OF THE GLOBAL AND NAMIBIAN TRENDS IN HOUSING POLICIES

2.1 INTRODUCTION

The aim of this chapter is to provide a description and review trends in housing policy. First is a review of trends in global housing policy followed by a discussion of urbanisation and urban growth. Next is a consideration of the dimensions of the urban housing challenge focusing on informal settlements. To this end, the chapter examines the evolution of growing awareness about the housing challenge, the emergence of housing policies and initiatives. Thereafter, the chapter narrows down to the Namibian context, highlighting the country's housing policy framework and initiatives.

2.2 HOUSING INITIATIVES – A BRIEF GLOBAL HISTORY

Lack of decent housing is a big problem in many parts of the world. The developing countries are however worst hit. Inadequate housing is often associated with many problems like poor sanitation and other public health concerns. In the past, the lack of decent housing was globally compounded by a lack of specific focus even within the United Nations system. Concerted international efforts to address housing problems can be traced back to the first United Nations Conference on Human Settlements, held in Vancouver, Canada in June 1976 and the subsequent establishment of the United Nations Centre for Human Settlements - UNCHS (Habitat) in 1978.

As the lead agency for the human settlements development activities of the United Nations system, UNCHS also facilitates the global exchange of information about human settlements conditions and trends (UN-HABITAT 2001). In June 1996, in Istanbul, Turkey, the UNCHS (Habitat) organised the second United Nations Conference on Human Settlements (Habitat II). Resulting from Habitat II was the adoption of the "Habitat Agenda" and the "Istanbul Declaration" emphasising two main themes "Adequate Shelter for All" and "Sustainable Human Settlements Development in an urbanising World" (GRN 2002a).

Since its establishment, UNCHS has encouraged countries to collaborate with NGOs and other partners in the civil society in efforts to address housing challenges. UNCHS underscores partnerships as a major opportunity for innovative and lasting solutions to problems, raised awareness, improved capacity at the community level and effective ways of increasing cooperation with local and central governments (UN-HABITAT 2001). Among the priorities of UNCHS are the following: promotion of the right to adequate housing and adoption of the enabling approach to national shelter strategies (UN-HABITAT 2001). The holding of the Habitat II conference played an important role in setting the stage for improved housing conditions and living environments in countries throughout the world by encouraging the formulation of policies and facilitating partnerships for sustainable human settlements development. The Habitat II agenda, among other international commitments, called for commitment to: the full and progressive realisation of the right to adequate housing; the strengthening existing financial mechanisms and innovative approaches for financing shelter and human settlements and enabling participation of all key actors at all levels to play an effective role in human settlements and shelter development (GRN 2002a).

The international community has since recognised that housing challenges cannot be dealt with in isolation from other phenomena. Housing has to be linked to other factors such as poverty and urbanisation. To be able to do this, policies are necessary because they represent an expression of the principles by which society wishes to guide and regulate an issue, in this case the issue being housing. Policies help to direct and inform legislation and practices towards housing. Below is an attempt to provide a historical overview of the evolution of policy in the housing sector.

2.2.1 Housing policies - a historical overview

Throughout history, informal settlements have played a positive role by accommodating poor individuals and families who cannot afford shelter in formally designated, and often comparatively more expensive areas (Turner 1976). However, the question of conditions of houses in informal settlements as well as the infrastructures and services available in such areas has continued to be an inherent challenge to governments (UNCHS 1982, Marsden and Moser 1990). It is no wonder that addressing the challenges presented by informal housing has

been increasingly identified as a central issue in development processes of urban areas (Yeh 1987).

As a result, there has been a periodic shift in ideas about appropriate shelter and settlement in housing policies over the last couple decades. These shifts have considerably affected the practices of governments, international aid agencies and academic communities in trying to deal with informal settlements, especially in developing countries. Because of the housing policies' objectives of "safe, decent and sanitary housing for all", in the early 1960s, people assumed that only the public authorities could provide the shelter for low-income people in informal settlement. The objectives were interpreted to mean support for public shelter (flats or houses) built at high standard and calling for high monthly financial support (Hindson and McCarthy 1994). In the late 60s the policy objectives shifted and started to be more directed at building fully public housing which were mostly expensive and ended up with the middle income people who could afford instead of the low-income people. Low income groups were prevented from acquiring such housing units from two fronts: immediate costs in terms of payments needed for the purchase of such houses and secondly, the long term costs in the form of rates, services and maintenance of such houses.

Interest in understanding how low income groups could be assisted to acquire affordable, good quality and decent housing led to the subject being a focus of study for many years. Consequently, studies into low-income people and their settlements have revealed other possibilities for urban housing. In fact, such studies in many countries served as vehicle for developing housing policies and programmes for low-income people consistent with both the shortage of public and private resources available for implementing them. According to Hindson and McCarthy (1994), such studies were mostly directed at two areas:

- To understand housing issues and the development of informal settlements through a series of theories such as modernization and dependency theory.
- Assessment of a body of data on housing and squatter problems in the neighbourhood, urban and national level that explained existing conditions and determined future housing needs.

As housing needs became more and more a centre of discussion in urban problems and development processes, concerted and committed approaches towards solving the problems were called in. This happened more widely across the world after the informal settlements conditions were highlighted at the Habitat Conference at Vancouver in 1976 (UNCHS 1982, Srinivas 2002). In addition, aid donors and global institutions in a series of conferences and policy initiatives in the late 1980s recognized the importance of urban trends and policies for development. Thus, the need of taking appropriate procedures and actions to improve the uncontrolled settlements, and the significance of integrating the residents into national developments were recognised.

According to the UNCHS, the types of policies implemented by governments in the 1960s and 1970s were mostly *laissez-faire* policies and the restrictive policies (UNCHS 1982). They were *laissez-faire* policies to the extent that they utilised government resources of other development sectors, ignoring the existence of informal settlements and slums in urban areas. The policies were restrictive because they focused or encouraged either eradication or limiting the size of informal settlements. Because of this sort of thinking at the time, inhabitants of informal settlements were removed from their houses and relocated, usually to urban marginal areas where the government provided them with land, minimum standards of houses and basic facilities. Sometimes the relocation arrangement included free transport of the belongings of the residents. Clearly, such past policies were mostly top-down, aiming at abolishing the slums and informal settlements, and have been implemented through provision of state-funded housing units that are built at the minimum standards of housing. There has since been a considerable shift in the reasoning behind attempts to address informal settlement challenges around the world. The current policies and practices by urban managers and planners toward informal settlements have evolved out of the revolution in housing policy that took place in the last few decades (Burgess *et al.* 1997).

According to Burgess *et al.* (1997), the trend and shift on focus of urban development can be traced from many papers mostly clearly over the last decades. These are papers such as the recommendations of OECD (1988) for the reconstruction of urban lending; in the Global

Strategy For Shelter in the Year 2000 UNCHS (1988); in the urban development policy papers of the UNDP (1991) and in the policy papers of the World Bank of Urban Sectors (1991) and Housing Sector (1993). Due to the striking developments in the nature and scale of urban problems, different policies have been implemented to deal with the urban development and informal housing.

The focus of urban development has shifted the policies further to become even more focused on housing than ever before. Examples of recent housing policies attempting to deal with the same housing problems include shelter for all: the potential of housing policy in the implementation of the Habitat Agenda 1997; strategies to combat homelessness 1999; shelter provision and employment generation 1995; Housing rights legislation: review of international and national legal instruments 2002 and Rental housing: an essential option for the urban poor in countries 2003 (UN-HABITAT 2003).

Enlightened by this background on policies, attention turns briefly to what type of practices governments have been using to address and manage housing problems in response to the housing policies. Overall, some of the new policies have abandoned the earlier policies' formula of dealing with urban housing scarcity. Thus, emerged new initiatives and approaches that many national governments are implementing in addressing services and housing problems in the informal settlement of urban areas. These new policies are mostly the 'supportive' or 'facilitative' types of policies.

Supportive policies

Supportive policies are not only about the provision of new houses but also aim at improving the conditions in the informal settlements. They also search for inclusion of informal settlements in the national development and eventually incorporate the social and economic aspects of the inhabitants into urban developments (UNCHS 1982). The supportive policies attempt to offer services, facilities, land and houses for the informal settlement inhabitant by means of different initiatives that are employed for urban development.

Within the supportive policies framework, governments have initiated different approaches to addressing housing problems, particularly the social, physical and legal problems of the informal settlements. The most popular initiatives used to implement the policies for construction of new houses and for improving existing houses, are mass public housing, site and services, settlements upgrading, and the self-help and funding/loan scheme (UNCHS 1982).

Mass housing schemes

This approach was widely used in the early 1960s and was mainly practiced in developed countries. According to Abrantes and Ural (1989), mass housing schemes involve the relocation of the site residents and provision of alternative housing heavily subsidised by government. Included in this approach is provision of totally finished housing units for low-income people who only pay for the services. Because of the thinking behind mass housing, it is associated with *the laissez-faire and restrictive policies*, which as mentioned earlier, apply mostly in cases where the residents are settled in hazardous and inappropriate areas.

The mass housing scheme was found to be ideal because residences were built according to the building regulations and it provided not only housing for many poor people but also outer space of the house that can be used for different activities (Abrantes and Ural 1989). Nevertheless, as an approach for dealing with the challenge of informal settlements, mass housing has some downsides. A major downside is that expenses of managing and maintaining the initiative becomes increasingly high for governments and after some time, governments lose control. Consequently, lack of maintenance might end the completed neat design of the housing. Additionally, the public open space gets neglected with dumps of garbage all over, and the users start to develop additional parts to the outer space of their territories for different reasons. Other downsides include:

- Maintenance decreases tremendously with time, thereafter creating slums.
- The relocation arrangements do not only fail to work because it moves people from their employment sources but because suitable location with enough open land at prices that the poor can afford, is difficult to be found.

- Mass housing relocates people and in the process destroys the social structure of poor urban settlements. It also decreases their capacity for their social and economic survival that depends to a great amount on the community organisation and neighbourhood interactions (Abrantes and Ural 1989).

Site and services schemes

In this approach, public authorities secure land and divide it into plots that the people would inhabit. In this process, users are allowed to select preferred designs within the framework of preset building regulations, which involve allowing people to choose the area within the site for their houses as well as buildings of their choice according to their needs while the development is still in its early stage. Plots are properly serviced and because they are well planned and within the housing development zones, they assure some degree of acceptable physical and environmental quality for the sites. The public authorities also provide the elements of the urban infrastructure and minimal community services that the inhabitants cannot provide. However, the inhabitants contribute to infrastructure and services by supplying their own financial resources, labour and skills while improving their own residence over time (UNCHS 1982).

Advantages of the site and service approach include the fact that they make utmost use of the scarce and limited financial resources available to governments. The approach is also mostly used because it does not require a lot of administrative, technical and financial resources compared to mass public housing programmes. Nevertheless, it requires a level of specialised institutional capacity, the capacity to organise and mobilise financial resources. Abrantes and Ural (1989) have identified other positive aspects of site and service:

- Building regulations control the gradual development of the site and services, which can be taken advantage by some of the low-income groups.
- The inclusion in the pre-established framework of changes and additions to the dwellings.
- Proper street patterns are made.
- Private open space within the plots is provided.
- There are limited areas of public space.

Disadvantages associated with the site and service approach include the lack of secure land tenure, inability to acquire small loans for home improvements as it entails regular payment to redeem the costs and to meet the services charges (Abrantes and Ural 1989). Furthermore, people without regular income tend to be excluded leading to the accusation that the approach serves and benefits the lower middle class instead of the low-income people. Seen in the context of informal settlements and the earlier discussed characteristic of inhabitants of informal settlements, the site and service approach is not enough as it fails to address the problems of informal settlements directly. Residents with low-income are often unable to meet their financial obligations entailed in sites and service arrangements (Abrantes and Ural 1989). These concerns and the fact that unrealistic high standards are normally employed and services remain expensive and beyond what the majority of the inhabitants can afford led to a further shift in the thinking about addressing urban housing challenges in general and specifically those relating to informal settlements. An alternative approach deemed more directly responsive to the unique challenges presented by informal settlements was thus developed, namely, the settlements upgrading programme.

Settlement upgrading schemes

Settlement upgrading schemes involve a suite of initiatives aimed at addressing housing-related needs in already existing informal settlements. They are a suite of initiatives essentially because they seek to provide and facilitate multiple infrastructures and service needs, e.g. improving water and sanitation, road networks, service centres, e.g. education and health in neighbourhoods and secure land tenure to the occupants at affordable prices (UNCHS 1982). A defining feature of upgrading schemes is the emphasis they put on achieving efficiency and effectiveness by use of locally available resources to the extent possible. Involvement of local people in labour tasks, for example, ensures that local employment is provided while at the same time improving the physical surroundings of the community. According to the UNHCS (1982), settlement-upgrading schemes have been found to be more preferable and suitable by the majority of the poor than the preceding approach because of the following reasons:

- When the upgrading project is planned to use the 'ideology of affordability' and the 'mobilisation of popular action', the load on the public funds can be significantly less than costs involved in public housing and relocation.
- The provision of security of tenure, access to credit and people's input and involvement in terms of savings and labour can be organised to aim at upgrading.
- Due to the social and economic survival disadvantages of relocation, upgrading does not require people to be relocated to new areas like in mass housing or to new plots like in site and services.
- While providing improved health and secure living environment and reducing the disturbances of social and economic life of the communities, the investments of the occupants made to their properties remains and only get enhanced.

Within the programme of upgrading, governments still have to face the questions of financing. There are many things that have to be financed such as community services, public utilities, land acquisitions and economic development incentives (UNCHS 1982). Experience in implementing upgrading schemes has shown that costs associated with the above-mentioned activities are high. This realisation, as far back as the early 1980s led to the view that the overall costs of upgrading could be lowered if the problem of shelter was left to the residents while outside help is limited to self-help assistance and provision of credit (UNCHS 1982). This resulted in an additional initiative that is employed concurrently with settlement upgrading. The new initiative is the self-help and loan repayment scheme. While the upgrading concentrates on bringing the infrastructures and services to the settlements, the self-help and loans repayment scheme is directed at addressing the housing issues but entirely depending on the residents themselves as groups or on individual basis (GRN 2003a).

The self-help and loans scheme (Hindson and McCarthy 1994) is underpinned by government provision of the land which is graded, serviced and divided into plots and at the same time provide loans for the construction of houses. The people are then required to apply for loans, where the applications are screened for residency and for the loans. Thereafter, the residents build their own houses and improve them over time. Construction of houses is ideally based on some prototype in order to maintain standards. The self-help scheme has a positive

dimension of being accompanied by efforts to provide land tenure, which gives the residents opportunities to invest greatly in improving their houses and most importantly, it enhance community involvement. Community contribution and involvement in construction and management of the initiatives are essential because communities know their areas and problems better. The involvement of communities' also creates a sense of ownership and in the process, it enhances the success of the initiatives. According to Hindson and McCarthy (1994), community involvement has two benefits:

- It assists in the implementation of the informal housing strategies by making sure that the projects that are taking place have been authorized, by building local capacity for enduring administration of the projects and by sharing the costs of the projects through community resources (human and financial) mobilisation.
- Community participation creates the potential to change the communities by permitting them to have access in decision-making and being included in facilitating organization around subjects of local problems and concerns while promoting their awareness.

Like all other housing initiatives described earlier, the upgrading scheme with reference to the self-help and loan repayment scheme has its own problems. Success of housing is often compromised by the topography of the sites, which is usually low lying and steep and on the outskirts of the cities. This type of terrain requires more sophistication on the part of the builders and involves a lot more resources if the houses are to be successfully completed. Consequently, the cost for constructions, upgrading and transport tend to be high for the low-income people (Hindson and McCarthy 1994). Furthermore, it has been noted that the total success of such initiatives also depends on improving the socio-economic conditions (poverty and economic insecurity) of the residents. Such improvement of social and economic conditions has to be in line with physical improvements, however, it requires a planning and implementation strategy that is different from the delivery of physical infrastructure alone (UNCHS 1982). In short, settlement upgrading and their version of self-help and loan schemes are susceptible to exogenous factors operating at the macro and micro social-economic level. By extension, it means that the problem needs holistic approaches. Unless there are initiatives

at the macro level that are carefully designed and implemented to address poverty and other socio-economic inadequacies, the problems are likely to continue.

The foregoing has been an attempt to contextualise the urban housing challenge by specifically looking at the evolution of policy internationally. Associated with different policy inclinations have been a variety of modes of delivering housing. The development of various policies, as alluded to earlier has happened as both a proactive measure and response against a backdrop of other developments in society, e.g. urban growth and urbanisation.

2.3 URBAN GROWTH, URBANISATION AND HOUSING

Urban growth is one of the issues constantly at the centre of debates across the world. It refers to the physical expansion and growing boundaries of cities (Mosadi 1994). Several reasons account for urban growth, but it is commonly linked to increases of urban population, which in turn necessitates growth in physical structures as a response to the demand for more infrastructure, economic development and social services (Weistein 1980, Payne 1984). It denotes the physical manifestation of urban population increase, which is caused by urbanisation (Hamdi 1995) and it includes the expanding physical boundaries of the city/urban areas. Thus, urbanisation is a critical contributory factor to urban growth. Urbanisation describes increases in the proportion of people living in the towns and cities (Mosadi 1994). Urbanisation involves the movement of people into big towns and cities from rural areas (Jere 1993) and from small towns to cities (Tarver 1994).

Table 2.1. Trends and projections in population growth in urban areas in different regions

	1950	1975	2000	2030
World	29.7%	37.9%	47.0%	60.3%
More developed regions	54.9%	70.0%	76.0%	83.5%
Less developed regions	17.8%	26.8%	39.9%	56.2%
WORLD REGION	1950	1975	2000	2030
Northern America	64%	74%	77%	84%
Latin America & the Caribbean	41%	61%	75%	83%
Europe	52%	67%	75%	83%
Oceania	62%	72%	70%	74%
Africa	15%	25%	38%	55%
Asia	17%	25%	37%	53%

Source: World Urbanisation Prospects 1999

While urbanisation and urban population growth are global phenomena, they are especially felt in developing countries (Jere 1993). Cities in developing countries are growing at unprecedented rates both in terms of physical extent and population (Table 2.1). Between 1950 and 1980, urban population growth was estimated between 12% and 14%, and at annual growing rate of 15% (Hamdi 1995). A consequence of this is a reduction of people living in rural areas. Because of the current rate of urbanisation, it is estimated that by the year 2030, people will be more concentrated in the urban areas of the world and Africa will be primarily an urban continent (Table 2.1). The urban population in Africa is predicted to increase up to more than 50%, from approximately 290 million to more than 500 million people, adding an proximity of 2 billion poor people in African urban areas (Cities Alliance 2003). This will lead to major redistribution of the population.

2.3.1 Some consequences of urban growth and urbanisation

Urban growth and urbanisation are increasingly presenting many interrelated challenges for management, planning and other related responsibilities in urban settings. Urbanisation in many developing cities poses a great challenge to the notion of 'sustainable city'. There are concerns, especially in the developing world, how to make cities both liveable and sustainable

(UNCHS 1996). Urbanisation poses various challenges and demands on land, housing, water, sanitation and the provision of a host of infrastructure and services.

Dramatic and rapid shifts in urban population have redefined, and continue to redefine the nature of issues and challenges faced in urban planning and management. Issues and challenges that have historically been raised with regard to urbanisation and urban population growth include high unemployment rates, poor or inadequate infrastructure and services, lack of facilities, poverty, land tenure, and many other health, environmental and economic challenges. Successfully responding to these and associated challenges, especially proactively in ways that improve the living conditions of city and town inhabitants has been seen as a good 'indicator' of effective management and planning of cities and big towns. In line with this study, a common challenge faced in urban planning and management relates to one fundamental basic human right: shelter. While shelter is a common problem in urban areas, it is especially critical for the poor people who cannot afford to rent, buy or build decent houses. There are various dimensions to the urban housing challenge, and in the next section, a context of these dimensions with specific reference to informal settlements is provided.

2.4 DIMENSIONS OF THE URBAN INFORMAL HOUSING CHALLENGE

2.4.1 What are informal settlements?

Informal settlements have logically been associated with urbanisation and urban growth. Most contributory factors to the formation of informal settlements can be logically connected to urbanisation and urban growth, as well as related problems in the economy. As a global phenomenon, informal settlements have been understood and interpreted differently in different parts of the world. Different names are used to describe informal settlements such as low-income settlements, peri-urban settlements, semi-permanent settlements, shantytowns settlements, spontaneous settlements, unauthorized settlements, unplanned settlements, and uncontrolled settlements (Srinivas 2002). These names underline both positive and negative attitudes and approaches toward informal settlements.

Some countries have local names for the same types of settlements. Examples of local names include as *Ranchos* in Venezuela, *Callampas* or *Campamentos* in Chile, *Fevéas* in Brazil,

Barridas in Peru, *Villa Misarias* in Argentina, *Colonias* in *Letarias* in Mexico, *Barong-Barong* in Philippines, *Kevettis* in Burma, *Gecekondu* in Turkey and *Bastee* or *Juggi-juhnmpri* in India (Srinivas 2002). People living in those areas are commonly referred to as the poor people, the low-income people or the squatters.

Suffice it to note that although the word 'slum' has been used inter-changeably with informal settlements, the term denotes different characteristics (Srinivas 2002). While the latter usually refers to the legality of the land ownership in the settlement, the former consists of buildings that are legally established and they are part of the proper, structured, planned town or city. However, such buildings are mostly old and in the worst part of deterioration due to poor maintenance of facilities. As such, slums refer to the environmental aspects of the residence and not to the legality position of the land in the settlement. The buildings of slums might have more than one floor and accommodate several families, however most of the people that live in the slums rent their accommodation (UNCHS 1982). In fact, slums are generally more a feature of the developed world than the developing countries. The common factors shared by the slums and informal settlements include poor maintenance of the houses and lack of services, increasing number of the residents at a growing rate, they all provide cheap accommodation and accommodate mostly the new migrants to the town or city and people from low-income group.

The preceding background underlines the fact that there are different dimensions to the notion of informal settlement. Rather than defining them upfront, it is more helpful to elaborate the meaning of informal settlements by understanding their defining characteristics. Characteristics of informal settlements can be considered from a number of perspectives. These include the socio-economic circumstances of the residents, the many issues that come to the fore when considering informal settlements as 'physical places' such as planning and legal implications, unsightly structures and associated lack of services and their public health implications.

In terms of socio-economic circumstances of the residents, they provide shelter to the urban poor who cannot afford the costs of purchasing or renting houses in the other parts of towns

and cities. Formal education backgrounds tend to be limited which means they are predisposed to poor employment opportunities mainly in the informal sector. Thus, not only are the residents in informal employment, low paying jobs if at all employed, they are generally without adequate income. Informal settlements' residents identify their main problems to include lack of jobs, minimal wages and inadequate housing. Because informal settlements generally attract the majority of the urban poor, they tend to be over-crowded. Conditions of over-crowding coupled with lack of potable water, sewerage, sanitation, refuse removal, drainage systems and other services have implications for health and make informal settlements potential health hazards from a public health point of view (Jere 1993, Hardoy and Satterthwaite 1997).

As physical places, and especially from the planning and legal views, informal settlements are areas where housing has proceeded informally and most of the time illegally. Often, informal settlements lead to developments where people are without legal claims and/or permission from concerned authorities to build. Informal settlements are therefore characterised by social, physical and legal problems (Srinivas 2002). Informal settlements are usually at the urban periphery, further away from the city centre and grow faster than the overall growth of the city. They are generally characterised by inadequate, poorly planned, low quality houses and other physical infrastructures. Location of informal settlements is often in undesirable places such as floodplain that expose the settlers to flooding, on steep hills, near industrial sites or vacant public lands not designated for housing.

Because of their unplanned origins, informal settlements are rarely part of the official city or town planning zones. This puts them outside the areas of operation of municipalities or other authorities for services and infrastructure provision and development. Schools, market places, roads, health infrastructure, security and other important services such as electricity, water and sanitation are generally absent in informal settlements. While some form of services may exist, for example communal standpipes for water, public toilets and public lighting, the trend is that of a combination of limited services and infrastructure that impact negatively on effects to establish satisfactory livelihoods.

Evidently from the above, informal settlements present challenges that compel governments to provide shelter as a basic human need. The implied challenges are such that urban planners and managers not only need to provide new houses and services but the residences have to be improved in especially the informal settlements. And yet, more informal settlements are being formed and housing a growing proportion of the urban population in developing countries (UNCHS 1982). It is estimated that by the beginning of the third millennium, urban areas alone will have 1.1 billion people living in inadequate housing conditions in developing countries (Centre for Urban & Community Studies 2004). Furthermore, more than half of the urban population will be living in informal settlements and in conditions that can be expressed as both health and life threatening due to inadequate housing.

Formation of informal settlements is associated with the central and crucial issues of urban development. These issues include demand for decent shelter and inadequacy of housing stocks, which are partially determined by the rate of migration to the urban areas; the proximity to employment, especially to industrial areas; the amount and quality of land available, and lastly the limits to growth of other low-income settlements (UNCHS 1982). Other factors also contribute to the formation of informal settlements. Examples include the lack of collateral assets; lack of daily wages and other financial assets, high costs of land and other housing services, high acceptable building standards, rules and regulations, and unbalanced planning and zoning legislations (Srinivas 2002).

In view of the above, housing, just like many development challenges has several dimensions. Successfully addressing housing challenges requires several interrelated and complementary strategies that target different contributory aspects. Importantly, however, it requires that the housing challenge be seen in a 'holistic perspective' from the outset. Most governments around the world have attempted to deal with the housing problem through devising and implementing policies. Housing policies are developed and are said to be a direct sign of high rate of urbanisation and urban growth (Mosadi 1994). The housing problem is clearly not new and it is helpful to understand the international trends in the way housing has evolved in the post world war II period. More specifically, the following discussion begins with the early

1960s which is the time most African countries started gaining their respective independences from colonial governments.

2.5 HOUSING IN NAMIBIA

2.5.1 Context and Economy

Namibia is situated in the South Western coast of Africa, bordered by the Atlantic Ocean on the west, Angola and Zambia to the north, Botswana and Zimbabwe to the east, and by South Africa in the southern part. It has total surface area of 824, 269 km² that constitute almost 3% of Africa total land (GRN 2002a). It is a vast, sparsely populated country and one of the lowest population densities in the world, with a total population of 1 826 854 in 2001 and a population density of two persons per square kilometer (World Bank AFTU 1&2 2002). The capital city, Windhoek has an official population of around 231 000 in 2001 (GRN 2002a).

The Namibian economy is largely based on the natural resources. These are the agriculture, mining and fisheries sectors, which according to GRN (1996) contribute more than 40% to the Gross Domestic Product (GDP). Namibia depends greatly on imported food, manufactured goods and technology as well as on the exported beef, processed fish and minerals such as diamonds, coppers, gold, zinc, lead and uranium (World Bank AFTU 1&2 2002). The country is classified as middle income because of its per capita Gross National Income (GNI) of N\$ 5 712 which is said to cover a highly unequal distribution of income amongst the population (GRN 1996). Unemployment is very high, estimated at 34.5% in 1997 (GRN 2002a) and affecting around 60% of the labour force, which constitute 19% of unemployed and 40% of underemployed. In addition to that, around 50% of the population in the country is classified as poor (GRN 1996).

2.5.2 Housing under colonialism

Two countries, Germany and South Africa, colonised Namibia. The former colonial rule lasted for 25 years, between 1885 and 1915. During this period, a segregation policy of residential areas for people of different colours was practiced between non-Europeans and Europeans, which meant they were not allowed by law to live next to each other. The same policy forced

Africans to live in small and less desirable areas of the town. In the same period, many African lost their right to acquire real estate (Seckelmann 1997).

The South African colonial rule took over from Germany in 1915 and ruled up to 1990 when Namibia as a last African colony became independent on March 21. South Africa put into practice its own apartheid policy that progressed increasingly and served as a foundation for the segregation in the urban areas. With the housing provision handled by the municipalities, segregation of residential areas, influx control and prohibition of land purchase were practiced with the African and coloured people (Seckelmann 1997).

Residential areas were described to be in bad conditions, however this did not encourage any upgrading in the settlements; instead new townships were developed. For example, in 1959 Katutura township was established in an area that is far way from the city center with rental houses. The black community did not want to move to the new township because not only that they would not own the houses but their social system would be destroyed and transport to and from the city centre would have been a problem (Seckelmann 1997). Nonetheless, they were forced to relocate into new township where further intra cultural/ethnic segregations were undertaken between Hereros, Owambos and Damaras (Seckelmann 1997).

In 1971, the United Nations withdrew the mandate from the South African government creating a constituent assembly in 1974 to shift the mandated territory into an independent country. By 1977, the elimination of the apartheid commenced and resulted in an end to rental system and influx control ending in the year after, and setting off urbanisation. The demand for decent shelter grew bigger and led to the National Housing Enterprise (NHE) initiative to be established. This initiative constructed new houses for the low-income people who could afford them. After 105 years of foreign rule, the country finally became independent on March 21 1990 and a new constitution was introduced with new rights such as equality, freedom from any types of discrimination and freedom to reside, settle and move freely in over Namibia. However, those are not the only things that have changed since independence. One of the things that changed is urbanisation. It began after the apartheid laws were abolished. It has, however, increased in recent years (Seckelmann 1997).

2.5.3 Urbanisation trends in Namibia

Urbanisation in Namibia started slowly in the late 1970s and early 1980s after the apartheid laws were eliminated and increased dramatically post independence with a high influx into towns and into the city. Urban areas recorded unprecedented growth with annual growth rate of up to 3.75% (GRN 1996). This revealed freedom of movement after many years of oppression control over the people's mobility. Other factors that have contributed to these movements are mainly:

- Search for better wage, employment, housing, education, hospitals and
- More social events and choices of entertainment opportunities (Seckelman 1997, GRN 1996, 2002a).

A high rate of urbanisation inevitably had many different but interrelated implications. For example, it meant that many of the new urban migrants did not find their ways into formal housing and employment markets (Seckelmann 1997). Failure to acquire formal housing is partially reflected by the number of urban areas households living in improvised or informal housing structures, nationally estimated at 70 000 (GRN 2002a). This situation is further compounded by rapid growth of urban areas, especially in Windhoek with a 5.43% annual growth rate (GRN 1996).

Historically, there have been different housing options in Windhoek that the immigrants can take, depending on their financial capability:

- *Buying or building a house*: This is an expensive option and for many people, it requires a loan just for buying the house or for the materials and construction of the house, therefore calls for stable financial base.
- *Lodging in the house of strangers*: In this case, people rent rooms within other people's houses, where there are no regular rental markets and no security of housing.
- *Rooms provided by employer*: This is when the accommodation is tied to the job. However many employers, except in case of domestic employees, do not practice it. Many of the immigrants do not get access to this type of housing.

- *Staying with relatives or friends*: In many cases the new migrants cannot afford rental accommodation, therefore they stayed with relatives and friends at first while acquainting with the people, the area and its conditions. Afterwards, the new people build their own rooms outside the main house due to various reasons.
- *Reception areas*: In these areas, the immigrants stay for a temporary arrangement while waiting to be relocated to other accommodation options.
- *Squatting*: This is commonly known as informal settlements where unplanned and unstructured housing take place at the urban peripheral. Informal settlements are usually associated with the rise of unhealthy living conditions covering, among others, social, economic, ecological and medical problems (Seckelmann 1997).

2.6 HOUSING IN POST INDEPENDENCE NAMIBIA

Housing is one of the many challenges identified for concerted strategic action at Namibia's independence in 1990. The following is a brief history of post independence efforts towards housing culminating in the formation of the National Housing Policy in 1991 on whose basis a national housing strategy was developed. A worthy starting point is the post independence legislative context in general and the Namibian Constitution in particular. In the Constitution of the Republic of Namibia, housing issues are categorised under the Bill of Rights and are therefore acknowledged as an important component of dealing with disparities in human settlements sectors, inadequate housing and standard living conditions. Moreover, as the main law of Namibia, all policies and laws are premised on the Republican Constitution Act of 1990 and housing is not an exception. In other words, the right to shelter and a place to live in is a fundamental right (Box 2.1) among other rights in the constitution (GRN 1996).

- Article 8 (1): Respect for Human Dignity. “The dignity of all persons shall be available”.
- Article 10 (2): Equality and Freedom from Discrimination. “No persons shall be discriminated against on the ground of sex, race, colour, ethnic, origin, religion, creed or social or economic status”.
- Article 13 (1): Privacy. “No persons shall be subjected to interference in the privacy of their home, correspondence or communications”
- Article 14 (3): Family. “The family is the natural and fundamental unit of society and entitled to protection by the society and the state”.
- Article 16 (1): Property. “All persons shall have the right in any part of Namibia to acquire, own, and dispose of all forms of immovable property and movable property individually or in association with others and to bequeath their property to their heirs or legatees”.
- Article 21 (1): Fundamental freedom. “All people shall have the right to”.
 - (g) “ Move freely throughout Namibia”
 - (h) “Reside and settle in any part of Namibia”
- Article 95: Promotion of welfare of the people: “ The state shall actively promote and maintain the welfare of the people” by ensuring that: “ Every citizen has the right to fair and reasonable access to public facilities and services”

Box: 2.1 Articles of the Namibian constitution with relevance to housing and settlement

The Government of Namibia committed itself to ensuring the rights and to meet the aspirations of the people by developing and implement the National Housing Programme under the new housing policies to address the housing problems (GRN 1996). Against such a backdrop, one of the priorities of the post independence government was the establishment of a conducive environment for promoting housing. Understood in operational terms, this translated into a new national housing policy and new legislative framework.

2.6.1 Legislative and policy context for housing in post-independent Namibia

After independence, a major component to the establishment of a national housing policy and legislative framework was the establishment of a Directory of Housing under the Ministry of Regional and Local Government and Housing (MRLGH) which was tasked with the following distinct but interrelated functions:

- Formulating a framework for housing sector;

- Drafting and administering legislation on facilitating a housing process;
- Developing strategies to improve the housing conditions of the people;
- Facilitating the implementation of a national housing programme targeted at low-income groups;
- Attending to housing complains;
- Facilitating the provision of housing credit to groups not catered by the private sector; rendering an accounting service for credit systems; and
- Administering the formal schemes; facilitating the upgrading of informal settlements and to rendering technical services (GRN 1991, 1992, 1996).

In addition, a Policy Advisory Committee was established to ensure that a sound and comprehensive approach to housing development was developed (Itewa 2002). By November 1990, the MRLGH committee had drafted a National Housing Policy (GRN 1996) that was subsequently approved by the cabinet in 1991. The policy established a framework for action on housing in Namibia. Furthermore, the policy emphasised the need for partnership between all sectors and placed the responsibility of housing provision on every household's head, meaning the government was not to be a direct provider for housing but only act as a facilitator and intervene in the areas beyond the individuals' capacity and control (GRN 1996).

The policy made provision for the creation of an enabling environment for individual families and communities while concurrently creating and enhancing community participation at all levels of housing development processes (GRN 1996). According to Itewa (2002), the policy did not only guarantee the right to basic housing, especially to the people from disadvantaged groups but its main goal was to make resources available and direct their use into production of infrastructure and facilities. In this way, Namibians would have fair chances to acquire land tenure, access to potable water, energy and waste disposal systems, access to acceptable shelter in appropriate locations at affordable costs and standard (GRN 1991, 1992, 1996, Itewa 2002).

The National Housing Policy identified the need to develop a national shelter strategy and to implement a national housing programme. In 1992, the United Nations Development

Programme (UNDP) and the United Nations Centre for Human Settlements (UNCHS) assisted the MRLGH to develop an implementation strategy for the National Housing Policy. The strategy was underpinned by a bottom-up approach philosophy, serving from the individual families, communities, villages and local authorities and up to regional councils and national levels (Itewa 2002).

2.6.2 Housing strategies in post-independent Namibia

Successfully dealing with housing challenges requires a suite of strategies involving and informed by various sectors of society. The Namibian housing implementation strategy was developed in recognition of the emphasis put on partnerships of different sectors in delivering housing to the people of Namibia. This was in recognition of the multi-sectoral and multi-disciplinary nature of the human settlements issues and the fact that many of these issues concern the daily life of people in their living environments (GRN 2002a). Understanding these issues, and let alone resolving them requires cross-sector collaboration which predominantly is seen to involve the public, private and voluntary sectors as well as civil society as active partners. These partners can be divided into two main categories: non-government and government. The distinction between the two lies in the source of funding: non-government initiatives are not funded using public resources of the Namibian government but operate within a policy and legislative framework set out by the Namibian government. Non-government housing initiatives have been associated with the private sector, the donor community, community based programmes and NGOs (GRN 1996). Below is an outline of some of the housing initiatives in the non-government domain.

2.6.3 Non-government sector housing initiatives

Donor programmes

Two donor programmes initially assisted MRLGH in addressing the housing problems: the Centre de Recherche – d’Information – d’Action pour le developement en Afrique (CRIAA), which was financed the French government and the Ibis programme which was financed by a Danish NGO (GRN 1996).

CRIAA programme

The Government of France donated N\$ 4.8 million to the CRIAA programme and the money was used in planning, construction and purchase for the 26m² housing units by the Ombili project for 300 households in Okuryangava, Windhoek (GRN 1996). The households received houses on a lease system and serviced plots with toilets on rental systems. The project incorporated the recruitment, training and supervision of the construction teams from the beneficiaries. The programme was also used in planning and installing of basic infrastructures in the north-eastern part of Namibia, upgrading the informal settlement in Rundu.

Ibis programme

The Ibis programme was involved in upgrading the informal settlements in the central northern part of Namibia, Oshakati town, using the Oshakati Human Settlement Improvement Project (OSHIP). The project had two inter-dependent components 1) the mobilisation and enablement of the residents of the informal settlement, 2) the environmental upgrading of the selected sites (GRN 1996). The former was used as a prerequisite for and means of implementation whereas latter was used to demonstrate the achievement made and also found to be necessary in obtaining community participation. Through community participation and in line with the National Housing Policy, OSHIP focused on providing the informal settlement with electricity, roads, toilets and water points.

Private sector

Private sector programmes are different from donor programmes. They are largely designed as business opportunities based on the provision of 'real estate', mostly purchased by middle and high-income people in the main urban areas such as Walvis Bay, Swakopmund and Windhoek (GRN 1996). Since only middle and high-income people purchase real estates, finance is not a problem to them because government employees get subsidies. Loans from the banks and building societies are more accessible to them than to the low-income people. In most cases, the clients are required to make a deposit of 10% to the building societies, which leads to exclusion of the low-income groups as they cannot afford the deposit. There are three different but related housing systems offered by the private sector in Namibia (GRN 1996).

Housing system one

This is where through a private treaty basis and auction, individuals buy the land directly from the municipality. In this case, the owner chooses a building contractor to either construct the house only and the buyer buys the materials by themselves or to supply the building materials and construct the house all together. In addition to this, an architect has to be employed to draw up the plan and acquire permission from the municipality. All costs involved have to be paid by the owner, using the loan or through the municipal repayment scheme.

Housing system two

The developers buy the blocks of land that they service themselves or individually serviced plots for the clients. The developer identifies the client or owners before construction and plan schemes are made and houses are built. As such, the developer does most of the work than the owner of the house.

Other schemes

Other small schemes in the private sector are the Wanaheda Housing Scheme and the Opogonga scheme. The former upgrades rental houses and is administered by Catholic Development Commission while the latter, is conducted by the Building society and involves financing and the construction for the most costly houses (Seckelmann 1997).

Community Based and Non-governmental Organizations

CBOs also establish small membership fees that are used to cover operational costs plus the communal items as the needs arise. A member's agreement is required and based on an assessment of families' capacity to borrow and repay a loan for building the house, and to establish a management and cost recovery system for communal facilities (GRN 2002b, GRN 2003a). Examples include the !Khara Tsâsib Housing Association in Mariental and the Saamstaan Housing Co-operation in Windhoek. They are self-help building CBOs that involve brick making, and development of organisational structures. The Saamstaan Housing Co-operation also includes an emergency insurance, a credit union, technical advice and training. They both negotiate options with the municipalities regarding lowering housing costs.

Currently, more CBOs have joined the two mentioned, forming NHAG but the two mentioned were the only ones existing before independence (GRN 1996).

National Housing Action Groups (NHAG)

The rapid emergence of CBOs in the housing sector led to the formation of NHAG in 1992. The NHAG members include IIGubasen Brick-making Project, Graus Brick-making Co-operative and the Keetmanshoop Housing Union. In addition to the respective aims of CBOs, NHAG aims at strengthening the individual groups' capacity to obtain housing. In order to accomplish the aim, six objectives were set:

- To create and exchange relations between grassroots and larger service organizations both at national and the international community levels,
- To support and promote the formulation of housing policies, municipal regulations and standards,
- To facilitate and enhance the empowerment in the community-based actions related to solving housing problems,
- To motivate, encourage awareness and share experiences regarding housing procedures and organisational development,
- To support members in negotiations for alternative solutions in cases of relating to housing issues such as evictions, land and loans and
- To offer the basic training to the members in construction areas relating to housing (GRN 1996, GRN 2002b).

In other words, the NHAG provides a supporting service, which assists community groups in many issues regarding their empowerment through organisational strengthening, planning, preparation for land negotiations with the municipalities and finance with other loan lenders. In addition to that are issues such as the development of housing saving schemes, technical support for material production and construction in both conventional and appropriate methods (GRN 1996, GRN 2002b). In 1998, NHAG underwent a process of reconstruction and reorganization, which resulted in change of the name to a Shack Dwellers Federation of Namibia (SDFN). The association became a network for a housing saving scheme with a new

aim to improve the living conditions of ultra low and low-income households living in the shacks, rented rooms and those with no accommodation at all (GRN 2002b).

National Housing Enterprise (NHE) Programme

NHE issues loans to households in the middle and high-income groups. The low-income people tend not to qualify for this programme because interest rates are linked to the market rate. The amount of loans depends on what the household can afford, the household income. For the households to afford the loan, they should not spend more than 22% of the income and should earn between N\$1800 and N\$4000 per month. The Capital for NHE projects are made from the returns on investments that are already made from housing and from the private sectors (GRN 2002b). The programme does not only make available loans to the households but also to self-help projects and associations. In 1992, around 376 loans valued at of N\$ 12 747 000.00 were disbursed. Out of that 33 loans worth N\$ 2500 were given to the self-help associations, 76 to completing existing houses and 267 to building new houses (GRN 1996).

NHE established two joint ventures, first with a Chinese construction company whereby the Republic of China granted N\$50 million and secondly with the Government of Germany through the Kreditanstalt für Wiederaufbau (KfW). The money from KfW was used on the Oshatotwa upgrading project in Okuryangava, for a building material loan system used by NHE, for a loan guarantee fund and for core house project, which included the servicing plots and new constructing houses (GRN 1996). By the year 2002, NHE had built 12666 houses and serviced 2609 plots across the country (GRN 2002b). NHE is not a government initiative, therefore depends entirely on private investment.

2.6.4 Government housing initiatives

In the above discussion, the study highlighted initiatives outside direct government funding. An important aspect that has emerged in the housing initiatives in Namibia is that there are still a large proportion of people in the low-income groups that are not properly sheltered. This is in spite of different initiatives in the non-governmental domain as elaborated above. The private sector, as discussed earlier has tended not to cater for all levels of the Namibian society, mainly benefiting the middle and high-income groups leaving out the underprivileged

or low-income groups. Large numbers of low-income people also mean that the NGOs and CBOs cannot afford to meet the demand for housing. Consequently, the Namibian government, in line with the Constitution, has developed a National Housing Policy that targets low-income members of the Namibian society. In order to reach low-income members, a national housing programme, the Build Together Programme (BTP) was developed, launched and implemented in 1992. The programme was not only established to commit the government to the housing sector but it was created with the intention of assisting households from low-income groups who were not catered for by private sector developers in the housing delivery service (GRN 1996, Itewa 2002, Seckelmann 1997). To help implement the BTP, a National Habitat II committee, in line with the Istanbul declaration, with representatives from all levels of the government (national, regional and local) was established. This, in Namibia, has been carried out by the established National Habitat II committee (GRN 2002a).

Build Together Programme (BTP)

Unlike all the other programmes discussed earlier, the BTP is a government initiative and designed as a National Housing Programme with the intention of implementing the National Housing Policy (GRN 1996). BTP is a self-help programme that lends money to targeted groups (low-income groups) that are considered to be a financial risk by the alternative programmes and the lending institutions. It does not use conventional methods of hiring consultants and contractors to build houses like any of the above mentioned but instead lets beneficiaries together with their families build their own houses or hire the contractors themselves (GRN 2002b). The role of the government is to support the programme by providing technical assistance, a credit system and a framework for people to take decisions. Furthermore, the programme is designed in a way that ensures that neither professionals, contractors nor the bureaucrats impose decisions on the beneficiaries. This means beneficiaries are given opportunities to build their own houses according to their needs, priorities, and affordability and depending on their resources (GRN 1996, 2003a).

BTP principles and criteria

In order to avoid inconsistency in their actions and decisions, BTP has a set of guiding principles and criteria for the staff. In terms of principles, the programme is open to all

interested parties including the private sectors, NGOs, CBOs and others. Implementation is decentralised to Regional councils and Local Authorities. Discrimination on the basis of colour, creed, race, sex and religion is not allowed. The role of the government is to facilitate while the role of the people is to decide and to act. To help sustain the programme, another important principle involves the mobilisation and maximisation of the use of local resources and materials (Itewa 2002). Emphasis is on the process of housing not on the product and maximum choice must be afforded through a wide variety of opportunities. Further, the BTP is based on the principle that affordability and cost effectiveness should always be pursued. Lastly but not the least is a commitment to ensuring that people are involved and are in control of the whole process. In other words, the beneficiaries should take decisions and initiate action while the BTP should be responsive to people's needs (GRN 2003a).

In terms of criteria, the beneficiaries of the programme should be from low-income families with monthly income ranging between N\$100 to N\$2000; from low-income communities living in disadvantaged, unserviced areas and informal settlements such as squatter areas and shacks and/or from low-middle income families who are living in unproclaimed areas. People in these conditions normally do not have access to credit from banks, building societies and other financial institutions (GRN 2003a). Furthermore, a person applying for a BTP loan should be residing in that particular area for at least a year and should show willingness to settle down in the area, besides being Namibian citizen with age between 21 and 50 years. If the person is over 50 years of age then they should apply with a co-applicant whose criteria meet the requirements above. After the application has been approved, a beneficiary is requested to be in possession of an approved building plan, site and dig trenches and open an account at any bank of choice before any payments are to be disbursed. After the payments are released, the beneficiary is responsible for the repayments in accordance with the agreed monthly amount on the contract. Beneficiaries are also required to indicate the loan reference number and the BTP loan recovery account number when they are making their repayments (GRN 2003a). With all these requirements, BTP still has a lot of advantages to offer.

BTP advantages

The BTP has both social and economical advantages compared to the conventional housing programmes. These social and economic advantages stem from the nature of clients the BTP targets, their socio-economic circumstances and generally the sites in which they reside (GRN 1996). Advantages associated with the BTP are as follows:

- The program can reach the largest number of families and meet the needs of the poorest groups at a lower cost and at limited cost to the government while also allowing the poorest groups to afford the housing without a heavy subsidy by the government.
- It can mobilize additional resources from families and networks, thus creating capital formation, which is greater than the investment of the government while at the same time generating employment opportunities for semi-skilled and unskilled people within the community.
- Loans reach the small enterprises such as NHAG/ SDFN and casual labourers in the community rather than being used by the big contractors.
- The program does not only provide families with the freedom to decide and act on their own behalf but it creates dignity and responsibility within the family and community.
- It gives people the satisfaction in terms of what they have achieved with their own efforts and enables them to improve the housing incrementally as and when their needs change and resources improve (GRN 1996).

Furthermore, BTP loans are not only available for households and small enterprises construction of new houses or purchasing plots. They are also available for community facilities, production of building materials and for sub-components that do the upgrading and extension of old houses and servicing of sites (GRN 1996). In this way, BTP initiatives help to bring together members of a community in trying to address a commonly felt need.

BTP sub-components

For organisational purposes, the BTP comprises different sub-components. These sub-components are mainly the urban/rural housing loans, social housing, single quarters upgrading and informal settlement upgrading programme, but in addition to that, there are other components (GRN 2002b).

- *Urban/rural housing:* This programme provides loans to every Namibian who meets the above-identified criteria of BTP. The loans range from N\$3000 to N\$32 000 with interest rate ranging from 5% to 9%.
- *Social housing:* In this programme, loans are given and used by small local authorities and regional councils in facilitating housing provision of cost recovery basis. The houses are either rented out at the lower rate of 5% to the social welfare cases or at the normal market related rate. The social welfare cases are such as destitute, disabled and pensioners.
- *Single quarters upgrading:* The loans in this cases are used either for upgrading single quarters into family units or to erect new houses for the residents that are affected after the old units are removed. Like the social housing programme, this programme is run on a cost recovery basis.
- *Informal settlement upgrading:* Small local authorities and regional councils use this programme to provide and upgrade services such as water supply, roads, sewage systems and electrical reticulation in informal settlements.
- *Other sub-components* includes initiatives such as the work of community based organisations which deals with the low-income communities by forming saving associations under BTP, the incremental development areas, provision of social infrastructure, communications and learning together, land servicing and the resettlement programme.

In the above cases where new houses are to be built, a design standard type of plan for the design is offered. The plan is made essentially to provide a roof and protect the families with their belongings, avoiding cases where beneficiaries run out of money and forced to stop the construction half complete. The plan is mainly for a core part of the houses, ranging from 22m² to 57m², which includes at least one bedroom and a bathroom at the initial stage of

building (Itewa 2002). Extensions are normally added to the core house at various stages and when needs arise which allows the beneficiaries to use their building according to their financial resources. In the cases of servicing the plots, the building plans that are in connection with the building lines and in accordance with the municipal by-laws, have to be obtained for every plot. The building line is 3m at the rear sides, 3m on the lateral sides and 5m on the front side of the plot. No further constructions are allowed within the 3m at the rear of the plot unless a special permission is obtained due to the municipal sewer that is installed in the range of 1m from the plot (Itewa 2002).

BTP sustainability

As with all loan initiatives, the issue of sustainability is of great significance. BTP is a loan scheme which does what most conventional loan schemes would avoid at all costs: lending money to people regarded as high risk targets because of their financial standing. This means that the BTP is based on trusting the ordinary people to be able and willing to repay the loans over time. In this situation, concerns about sustainability are heightened. According to Seckelmann (1997), BTP is financed with public money, and this form of financing can potentially result in losses for the national treasury. First, subsidising interest rates raises the possibility for losses in the longer term (Seckelmann 1997), as not much recovery can be made with low interest rates from the economic point of view. Although the BTP is not essentially profit-based, it has to break-even, taking into account macro-economic influences such as inflation, in order to remain viable. Second, BTP finances also depend very much on the loan recovery rates, which exposes the programme to built-in weaknesses in the event of the poor or non-servicing of the loans. It has been estimated that at least 80% of the loan recovery has to be made to maintain and sustain the programme (GRN 1996). To make such a recovery, the beneficiaries are given up to 20 years to make their payment, which allows small repayments because the amounts are spread out for a longer period of time (Appendix three). The payments are either made through the people's sources of employment or through the banks of their choice (GRN 2003a). This should be able to require only minimum efforts and make the payment system simpler and efficient for both beneficiaries and BTP.

The BTP did very well in terms of loan servicing initially as to borrowers demonstrated capability and willingness to repay (GRN 1996). In recent times, however, BTP analyses and studies show that BTP loan repayments are generally poor (Seckelmann 1997, GRN 2003b). This is a concern because poor repayments of loans undermine the BTP goals and aspirations, which depend on the programme being sustainable in the longer term. Cases of poor repayments and arrears are also worrying because they make the beneficiaries fall behind their loans, and face debts beyond the value of their homes and beyond their capacity to repay (Sanyal 1987, Klak 1992, Seckelmann 1997, Cities Alliance 2003). A quest to understand why poor repayment is happening from the viewpoint of the beneficiaries themselves is the fundamental reason for this study.

SUMMARY

This chapter has described and reviewed trends in housing policy from both the global and Namibian perspectives. In both cases, urbanisation and urban growth have been highlighted as some of the factors behind the pressures around housing. A key aspect of the chapter is the notion of informal housing and the problems around its eradication. Generally, the chapter has examined the evolution of growing awareness about the housing challenge, the emergence of housing policies and initiatives. This has provided the necessary context for the study.

Chapter 3

RESEARCH METHODS

3.1 INTRODUCTION

This chapter describes methodological issues pertaining to the study. First is some clarification of the qualitative process that was followed in the study. This is followed by the sampling approach employed and rationalisation of why a case study approach was adopted. Data collection, data analysis and study limitations are also presented.

3.2 QUALITATIVE RESEARCH PROCESS

This study is a product of a qualitative research process. A qualitative research process to the study was compelling given the nature and focus of the study. Holloway (1997) refers to qualitative research as a form of social enquiry that focuses on the way people interpret and make sense of their experiences. According to Creswell (1994) a key requirement in qualitative research is to select respondents that fit the purpose of the study. While the average person may understand the subject, my interest was with those with some kind of involvement with the programme to provide detailed information about their personal experiences. Hence it was appropriate to carefully select respondents using an appropriate form of sampling.

3.3 RESPONDENTS AND SAMPLING

Two sets of respondents were involved in the study. First were the beneficiaries of the BTP loans. More specifically, all the 30 community members were beneficiaries in arrears on their loans with the BTP and this was the basis for their selection. Second were BTP officials engaged on account of their knowledge, profession and employment that predisposed them to understanding the BTP and the challenges it was facing in administering the loans.

Thus, the study was confined to selected informants to address the research questions and issues. This meant exploring and taking perspectives and experiences from

individuals, in this case, purposefully chosen. This form of selection is known as criterion based or a purposeful sampling (Bless and Higson-Smith 1995). Purposive or criterion based sampling advocates that only those that have the characteristics and the attributes typical of the population to be investigated must be selected, that is, selecting those that are informed about the topic area under investigation. In view of this, it is clear that random sampling would have been less appropriate and would most probably have given worse or less representative information for the study. In this way, randomness, though appropriate in other contexts and for certain studies would have impeded understanding in this particular case (Palys 1997).

Although the sample in qualitative research is relatively small, it usually consists of information rich cases (Holloway 1997). Despite the sample size, it usually represents a heterogeneous group of people or sectors and each group brings a different perspective to the study. The process of sense making and interpretation of experiences referred to earlier in this particular case refers to the beneficiaries viewpoints in relation to their livelihoods and its impact of meeting their loan obligations.

3.4 CASE STUDY APPROACH

This study was designed within the framework of a case study. Little consensus exists on what the 'case study' actually constitutes despite widespread usage of the concept (Burton 2000). Although consensus seems to have been reached in social sciences with recognition of cases as the building blocks for collecting data, there is still some controversy on what should be regarded as 'a case' (Burton, 2000). Case study generally denotes varying entities including an individual, organisation, or any single phenomenon forming the subject of a study (Yin 1984). For this study, a case study is defined as an empirical enquiry that investigates a contemporary phenomenon in a particular context (Yin 1984). In the context of this study, informal housing exemplifies Yin's notion of a 'contemporary phenomenon'.

Also, the choice of two residential sites, namely Katutura (formal settlement) and Goreangab (informal settlement) from which respondents were drawn was not arbitrary. Both sites are

home to a growing number of beneficiaries of the BTP. Both townships are characterised by low cost houses, some which are poorly constructed. Poverty in both townships is also rife. Further, both townships are situated in the Namibian capital city, Windhoek and it was practically convenient from logistical point of view. Last but not least, the townships belong to the pioneer BTP sites, which means their inhabitants have a relatively long history with the BTP.

3.5 DATA COLLECTION

Four interrelated methods were used to collect data: literature review and documentary analysis, direct observations, and a questionnaire. Each of these methods is discussed in turn.

3.5.1 Literature review and documentary analysis

A literature review was undertaken to develop an understanding of loan schemes for low-income housing, housing policies and strategies, and other concepts relevant to the study. Literature review helped to illustrate the theoretical themes needed to develop a deeper understanding about the research questions and issues. It also informed other stages of the study including questionnaire formulation as well as data collection and analysis.

3.5.2 Questionnaire and interviews

A questionnaire (Appendix four) and an interview schedule (Appendix five) developed on the basis of the purpose and objectives of the study were the main source of primary data. Open-ended and close-ended questions were employed in a questionnaire, concentrating more on the history and socio-economic aspects. The above-mentioned questionnaire was interviewer administered to avoid problems such as illiteracy on the part of the respondents. Face-to-face interaction in both the interviews and questionnaire administering ensure that clarifications are made on the spot. Importantly, by personally administering the questionnaires, the problem of non-response and un-returned questionnaires were avoided. This was important given the limited time in which the study was to be conducted and completed. BTP officials were interviewed using an open-ended interview schedule on specific aspects relating to the management of the loan scheme and their perceptions and insights of its operations.

3.5.3 Direct observation

Since the methods used to collect data involved going to the settlements in which the respondents reside, there were opportunities for direct observations during data collection excursions. In this way, direct observation was helpful in providing insights that helped in data analysis, interpretation and discussion. To ensure that this happened, notes were taken down during the field excursions and retained for analysis and discussion purposes.

3.6 DATA ANALYSIS

The analysis of data was mainly through reduction and displays. The benefit of data reduction is that it gives a clear indication of what data aspects to code and which to pull out. More importantly, it identifies evolving stories, themes, and patterns that best summarize a number of data chunks, whereas the advantage of using a visual format is that it presents the information systematically (Miles and Huberman 1994). Data reduction and displays makes it possible to organize and compress the information and makes it easy and possible to draw informed conclusions. Each response was analyzed and grouped based on the themes that emerged from the responses. These themes were then displayed in the form of tables. Comparisons from different respondents were made, making it possible to note similarities, differences and patterns in the responses. Data display was summarised in the form of tables and graphs. Stem and leaf tabulation was used to determine trends and frequencies. The figures derived from the stem and leaf tabulation and frequencies were used to produce graphs. Microsoft Excel was used to produce graphs.

3.7 LIMITATIONS

The criterion-based or purposive sampling approach was used to select and sample the participants. This approach is not considered to be statistically representative. And the sample size was only 30, i.e. beneficiaries. Bearing this in mind, the representativeness of the sample cannot be guaranteed and therefore the perceptions and the views

expressed may not necessarily be representative or represent the views of the majority. However, since this was a qualitative study, the focus was on the 'richness' of the information despite the sample size. Hence, although the sample size was relatively small, the use of purposive sampling ensured that the sample consisted of information rich cases (Holloway 1997).

3.8 SUMMARY

Against the above background, the study by no means implies that the opinions and perceptions raised should be considered to be isolated. Rather, it calls for caution when interpreting the findings, taking into account the scope of the study. It should also be recognized that the study was undertaken under serious time and financial constraints. These in turn limited the scope of the study, the number of participants and the extent to which the study would otherwise have been taken, had these limitations not existed. Conduct a similar study on a bigger scale with sufficient financial resources to obtain representative results is a realistic option to overcome the limitations of this particular study.

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Component B

**South African Geographical Journal
(Appendix six)**

**CHALLENGES OF DELIVERING LOW-INCOME HOUSING:
A CASE STUDY OF THE BUILD TOGETHER PROGRAMME OF NAMIBIA**

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**CHALLENGES OF DELIVERING LOW-INCOME HOUSING:
A CASE STUDY OF THE BUILD TOGETHER PROGRAMME OF NAMIBIA**

Abstract

Housing for low-income people in urban areas is a global problem. Hence, to address the problem in Namibia, the government introduced its own initiative, Build Together Programme (BTP) in 1992. Among other aspects, the programme facilitates housing loans to the poor and it is expected to make up to 80% loan recovery for its own sustainability. However, there have been problems of poor repayments and non-completion of houses. As such, this study was set out to investigate and understand the nature of contributing factors to the two problems.

The research methods taken relied on interviewer-administered questionnaires, interview schedules, reviewing literature, documentary analysis and direct observation. The BTP's beneficiaries of two townships (Katutura and Goreangab) and the housing officers at both local and national level constituted the study's respondents. The study investigation and analysis revealed various causative factors of BTP's problems. They are mainly the inability of beneficiaries to afford many needs at household level, and the lack of effective structures of the programme that can be used to ensure loan recovery. The results suggest that these factors can negatively affect the programme if not confronted. The study has offered some recommendations for BTP.

Introduction

As the world becomes more urbanised, so does the human population in urban areas expand. Intensification of urbanisation, especially in the developing countries has historically, and continues to contribute to a growing demand for formal housing (Abrams, 1964). The need for formal housing is both an urban and rural phenomenon, but it is in the urban areas where housing needs are largely unmet (UNHCS, 1996). Abrams (1964) described this trend as the struggle for shelter in an urbanising world. A serious shortage of appropriate houses to match the ever-increasing urban populations has positioned informal settlements as a focal point for many developing country governments. And yet, developing country governments have not been particularly successful in meeting the housing requirements of the urban populations (Marsden and Moser, 1990).

Namibia, like most developing countries has a serious need to address the housing challenge. Nearly 13% of Namibia's estimated population of 1 826 854 live in the capital city, Windhoek (GRN, 2002). Not all residents of Windhoek live in formal residential areas. A growing number reside in informal settlements and there is an equally growing backlog in formal housing units. As has been argued in other contexts, housing is one of the more visible dimensions of poverty (Marais *et al.*, 2003). As a result, Namibia's efforts to address poverty are closely associated with attempts to provide formal housing and broader issues of human rights (GRN, 1996). In terms of the Namibian Constitution, providing formal shelter is one of the fundamental basic rights (GRN, 1996). Major initiatives to effect this position on housing have included the establishment of a national housing policy and attendant strategies for its implementation. A cornerstone of the housing policy has been the recognition of partnerships involving government, civil society, private sector and non-governmental sectors among

others. Government's role in the post-independence housing delivery has largely been that of facilitating the process rather than that of a provider (GRN, 1996).

While initiatives to provide shelter in Namibia predate independence, the post independence government continues to be very critical of pre-independence efforts (Itewa, 2002). Pre-independence housing initiatives have been critiqued from various perspectives: that they served private sector interests and were insensitive to people-driven development, catered for high and middle class members of society and made it practically impossible for low income earners to acquire formal shelter (GRN, 1996; Itewa, 2002; Seckelmann, 1997). Consequences of colonial approaches to housing include the lack of prioritisation of informal settlements upgrading, inhabited predominantly by individuals, families and households in the low-income group. However, the new housing approach of post independence involved upgrading of community services, individual houses and providing loans to the low-income people for building houses.

The Build Together Programme

A key component of the Namibia's national housing policy implementation strategy has been the Build Together Programme (BTP). Introduced with an explicit aim to facilitate housing loans for new housing construction and to provide building materials at affordable cost to low-income families (GRN, 2002), the programme also provides opportunities for improving services and infrastructure at both the individual household and the community levels. A major philosophy of the programme is to enable beneficiaries to build houses according to their needs, priorities, and affordability and depending on their resources (GRN, 1996, 2003). Until recently, the BTP was a centralised body. Since 1999, and after many years of lessons

from implementing the programme, regional offices were established to decentralise the programme.

The success of the BTP implementation depends, among other things, on successful recovery of loans. This is especially important as interest rates on the programme's loans are subsidised (Seckelamn, 1997). Therefore, the BTP has an inherent problem of poor loan repayments because its beneficiaries are 'high-risk' clients due to their financial standing and socio-economic situation. Concerns about the sustainability of the BTP have been raised in the past (NEPRU, 1995 cited in Jacobs & Egumbo, 1996). Creation of a revolving fund is the most important aspect of a sustainable housing programme because the repayments are built up there and fed back into the housing sector (Seckelmann, 1997). Yet the sustainability of the BTP is becoming a growing concern due to poor servicing of loans by the beneficiaries. In strict business terms, the BTP clients' credit worthiness is questionable, as some of them do not have a credit history. Added to that is a problem of non-completion of houses, a key concern in the sense that it reflects badly on the BTP because it undermines its goals and aspirations.

Thus, this paper is based on the view that understanding the factors underpinning poor loan repayments and related issues such as incomplete structures are critical for the future success of the BTP. In other words, beneficiaries are often unable to meet their obligations because of their socio-economic circumstances characterised by poverty. Engendered and influenced by a host of factors, poverty is understood differently in different contexts (Chambers and Conway, 1992). The effects of poverty are understood differently, but one thing is certain: the effects of poverty can be far-reaching. Importantly, poverty manifests itself in different ways. Deprivation or the detrimental lack of essential goods and services like clean water, food,

clothing and income is one way poverty is experienced. It is also closely linked to socio-economic circumstances of its victims, making poverty a very complex concept.

And yet, poverty has for long been subjected to simplistic approaches which fail to appreciate its complexity (Chambers and Conway, 1992). A useful approach for dealing with poverty requires an understanding of how people earn their livelihoods, appreciating that livelihoods are complex. Livelihood is a concept used to describe the process of meeting basic needs and services (Oxford University Dictionary 2004). Livelihoods have been defined as “means of living or of supporting life and meeting individual and community needs” (UNDP, 1999). Livelihood is a useful concept in understanding poverty.

This paper explores, from the beneficiaries’ point of view, how their livelihood circumstances might be contributing to their inability to meet their obligations to the BTP. A key proposition is that understanding the livelihood circumstances of the beneficiaries is critical because livelihoods have far reaching implications on beneficiaries’ ability to pay back the loan and to build and complete their houses.

Aim and Objectives

This paper aims to understand the factors and concerns of BTP beneficiaries that contribute to poor loan repayments and non-completion of houses, and how these might impact the BTP initiative. Specific objectives are:

1. Develop insights into the beneficiaries’ background and their socio-economic aspects that can be used to understand their livelihoods.
2. To collect relevant data on factors and concerns that contributes to poor loan repayments.

3. Use these data and analyse how these situations might influence their obligations to BTP and impact on BTP initiatives.
4. To make appropriate recommendations based on the research findings.

Methodology

The study focused on two residential areas that have BTP beneficiaries in Windhoek: Katutura (formal settlement) and Goreangab (informal settlement). Katutura is a former black township with low cost houses established as a result of the former apartheid policies. Because urban migration was not allowed during the apartheid era, the Katutura area became highly crowded. Overcrowding forced families to build extra rooms in the form of shacks in the yards to accommodate not just the families but also extended family and friends. After independence, people felt less restrained to move to vacant land areas for private ownership, creating new settlements such as Goreangab (Gold *et al.*, 2001).

Preliminary work involved clarifying the purpose of the study and the target population group with the relevant community structures and the BTP regional and national offices. After the process of consultation was completed, and authorization granted by the community structures and the regional BTP, a purposive sampling (Bless and Higson-Smith, 1995) approach was adopted. This decision was based on the assumption that access to the BTP clients' database would be secured. The first fifteen willing and available clients of the worse arrears were interviewed from the two residential areas, bringing the total number of respondents to thirty. Data collection involved a combination of an interview-administered questionnaire, documentary analysis, an interview schedule and direct observations.

The interviewer-administered questionnaire was the major source of primary data. Avoidance of non-responses, unreturned questionnaires, time constraints and literacy-related problems were some of the reasons for using an interviewer-administered questionnaire. Face-to-face contact with respondents provided opportunities to explain the purpose of the study and timely clarifications where necessary. The questionnaire consisted of six sections, comprising both open-ended and close-ended questions. The first three sections focused on the biographical, demographic and socio-economic profile of the respondents, covering the first objective. Data from these three sections were important in providing some understanding of the livelihoods of the respondents. Together, they formed a background to the subsequent sections, which focused on processes of the BTP loan facility, dealing with such issues as the aims and concerns about the process. Included in this section were questions that dealt with BTP client satisfaction in respect of the services and support provided. Sections four and five dealt with the beneficiaries' understanding of the aims of the programme and the use of the funds respectively. Section six covered general life experiences, focusing on general priorities, needs and satisfaction. All three sections together covered objective two. All meetings were scheduled with the help of the community structures, often taking place during weekends and or after working hours.

Documentary analysis involved appraisal of formal documents on the BTP's loan scheme and the implementation of BTP initiatives, particularly concerning the procedures of loan application, approval, disbursements and guidelines for supervision of repayments and construction of houses. An interview schedule was appropriate for engaging BTP officials at both national and local level. Flexibility coupled with the possibility of spot-on probes was added benefits of using an interview schedule. Notes were taken during each interview. Lastly,

direct observation occurred during the many visits to the study sites and during the interviews. Photographs and notes were taken, with the latter being especially useful in recollecting particular moments or events.

Results

The total number of respondents was thirty (N=30). Where appropriate, the findings are presented numerically as opposed to percentages in order not to create the impression of attempting to provide statistically conclusive and significant findings of the sample used. However, the use of percentages is also made. Verbatim quotations are also provided where it seemed suitable. The results are presented in two parts. The first is a consolidated presentation of the profile, background and socio-economic aspects of the respondents. The second part focuses on the BTP programme, highlighting the respondents understanding of the programme's aims, use of the loan funds (implementation) and factors and concerns about the BTP loan payments. The figures and tables for the results are contained in appendix one.

Profile, background and socio - economic aspects of the respondents

An important task of this study was to respond to the following question: What background and socio-economic factors typify the beneficiaries of the BTP? This question was addressed in sections one, two and three of the questionnaire covering respondents' profile, background and socio-economic aspects. Data from these sections of the questionnaire were helpful in meeting objective one: *Develop insights into the beneficiaries' background and their socio-economic aspects that can be used to understand their livelihoods.*

Age, gender, language, education and household size

The sample displayed a relatively middle age to mature group of homeowners with the majority (20) exactly split between the 31-40 and 41-50 age groups. The youngest was 21 while the oldest was 65. The median age was 33. In terms of gender, the sample was almost split in half, 16 females and 14 males, suggesting a reasonable assumption, that home ownership was probably not heavily skewed in favour of either sex.

Respondents spoke different languages. Language proficiency suggested an ethnic mix, a feature characteristic of urban area realities as different languages from different parts of Namibia were reported. Twelve spoke Damara/ Nama, the local language in the area. The rest spoke native languages from other regions of Namibia, namely Herero (nine), Oshiwambo (seven) and Afrikaans (two).

Formal education levels were low, with slightly more than half (16) having attained secondary education and 11 with primary education. Household size was on average 6.5, with the majority of households (24) having more than four members. This is quite a large size (80%) given that, as shall be demonstrated later, that their incomes are unstable, low and from insecure sources.

Further, just above half (17) were born outside Khomas – the region in which Windhoek is located. This provided a small degree of evidence that rural-urban migration was a continuing process and that increase in urban population was not only due to natural increase within the urban area. The majority (23) have lived a minimum of nine years in the area; with slightly

less than half (13) having lived there for more than 10 years. Reasons for relocating were varied (Table 1), but the 14 moved mainly to have their own places.

Employment and sources of income

The BTP's future success, like most loan schemes, partly hinges on the beneficiaries' ability to service the loans. Employment and or sources of income are thus realistic indicators of the beneficiaries' ability to meet their loan obligations (Seckelmann, 1997). Long-term employment, the security and level of remuneration associated with that employment is essential to achieve satisfactory housing (Malpass and Murie, 1999). Therefore, employment opportunities along with sufficient remuneration should be the preconditions to improving living and housing situations.

Various sources of income from which the respondents draw a living were reported. While employment was reportedly high (25), with 23 of them regarding their jobs as full time, the nature of jobs was worthy of note. Types of jobs can be categorised as ranging from unskilled jobs such as domestic servants to low-end formal appointments such as clerks in government departments. A smaller number (two) are self-employed, e.g. tailoring and informal trading. Five were unemployed and outlined their main sources as pension, remittances, informal trading – (selling cooked meat (*Okapana*), running shebeens, tailoring, taxi operations and repairing lounge and car seats).

Overall, the empirical evidence suggested a reliance on wage labour and home based industry and lack of stability in their work environment. In addition, they do not have a stable work

history. Before moving to the current residence, 19 were employed leaving 11 unemployed at the time they relocated. Nearly a third (nine) had changed jobs since moving to present residence. Job changes were attributed to various reasons: desire for job stability, i.e. changing from temporal to permanent, poor salaries, forced to seek alternative employment after retrenchment. Social reasons such as spouse being transferred or marriage were given, but only in very few instances.

The mean monthly net income at the time of the study was N\$670.00. The income range (Fig.1) demonstrates that (24) earned less than N\$ 2000. Nine estimated earning between N\$ 501 – N\$ 1000. Alternative sources of income were non-existent for the majority (21). The few with alternative sources of income reported periodic alternative earnings: three earn between N\$100–500, 4 earn N\$501–1000 while the remaining two reported earning extra income in the N\$1001-1500 range. Alternative income was reportedly sporadic at best; a factor that led to the majority saying it was non-existent.

Nearly half of the respondents reported existence of other income earners in the household. Eight expressed ignorance about the actual earnings of the other members of the household while a corresponding number reported between N\$1001-1500. Six reported additional household earnings of N\$ 1501-2000. The remaining 8 reported additional household earnings ranging between N\$100–500. Additional household income earners were reportedly not contributing to the payment of BTP loans. Basically, the above results show that beneficiaries have poor income generating opportunities with limited alternative sources of income.

The Build Together Programme

Ensuring that the clients understand the aims of the programme is arguably one way of gaining their support for the programme. It was therefore important to make an assessment of the clients' understanding of the BTP's aims. In this regard, three important considerations were set for this study: to establish the understanding of the beneficiaries of the BTP's aims, their perceptions of the processes involved in obtaining a loan and the importance of paying back the loan.

Understanding of the BTP's aims

The clarity of the programme's aims was at face value high (Fig. 2). Claims that the aims were 'very clear' and or 'clear' were in the majority (21). Those who said 'not very clear' and or 'not clear at all' in general felt the aims were neither clearly explained nor given. As noted by one respondent:

Nothing much of the programme has been explained to me. Not even in the contract. They did not tell me how I should make my monthly instalments. All that I was shown was where to sign. (Respondent from Katutura settlement).

The process of accessing BTP loans

This aspect of the study involved asking questions about the expediency of the process of accessing loans. Nearly half of the respondents (14) have been beneficiaries for three to four years and a further 8 have been beneficiaries for the last five to six years. Questions asked were aimed at providing a gauge for beneficiary satisfaction. Just over a third (11) found the process of accessing the loan to be 'easy'. Nine felt the process was 'relatively difficult' while 10 felt the process was 'very difficult'. Others were clearly happy with the process:

This initiative [Build Together Programme] is a good program and very much helpful. It is giving us at least something that we wouldn't afford on our own. Therefore we do appreciate very much. (Respondent from Goreangab settlement).

As part of examining the process, respondents were asked about the amounts they received from the BTP. Within the BTP framework, applicants can receive a loan of up to a maximum of N\$32 000.00. Figure three illustrates the amounts of money received from the BTP. The average amount received was N\$16 850.00. All the respondents reported that their applications were approved without changes to requested amounts. Most of the loans were in the 10 000-15 000 range, followed by those in the 16 000-20 000 range. There was an exact split of five for both the 26 000-30 000 and above 30 000 ranges. General knowledge that the loans needed servicing was high (19), but the exact monthly instalments were unknown in some cases (11).

Reasons for applying for the loan and attitudes towards servicing loans

Motivation for applying for the BTP loan was attributed to two main reasons: to have own shelter/ property (15) and to accommodate family (13). Two respondents applied for the loan in order to live in the city.

Most (28) respondents acknowledged the importance of paying back the loans (Fig. 4). A major reason was simply the fact that the recognition that a loan has to be paid back. There were reasons founded on fear of losing the property in the event of the house being auctioned to recover the BTP loan. Others spoke in terms of setting a good precedence: to stand a better

chance for another loan in the event of wanting to do further works on the house, e.g. additional rooms.

Use of BTP loan funds (Implementation)

The success of the BTP initiative partly depends on ensuring that the available money is used for the intended activities in the most effective way possible. However, the prospects of misusing resources cannot be underplayed. Misuse of resources is likely to occur in situations such as the use of money meant for paying builders or procuring materials for compelling day-to-day household priorities. Thus, it was important, in the context of this study, to explore how the loan had been used.

All respondents started their constructions/ upgrading in the last ten years, the majority (18) in the last five years. Nearly a third (nine) have completed building/ upgrading their houses. Close examination, however, revealed all of these started building in the last five years. Of these, four had plastered and painted both the inside and outside and only five had built using the BTP design (Appendix two, picture A). The BTP is flexible because beneficiaries are allowed to use alternative designs as long as they were approved during the loan application process. Most of the respondents have adopted designs that allow concurrent construction of sections of the house. For this reason (Fig. 5), two levels, e.g. roof and window indicate that the one side would be at roof while another side may be window level (Appendix two, picture B, C & D). According to the BTP, a house is considered to be complete when it has a completed floor and roof (Johannes *pers. comm.*).

The majority (21) had not completed their projects at the time of the study (Fig. 5). They were at various stages of building, with nine of them at roof stage closely followed by those at roof and foundation stage (seven). The majority (24) categorised the BTP loan as 'barely enough'. The rest (six) felt that the loan was 'completely inadequate'.

Another issue considered was the respondents' perceptions about their chances to build a house without the BTP loan. A third (10) felt 'highly unlikely', followed by 'very low' (8) and 'low' (6). One respondent felt the chances were 'very high' and the rest (five) also expressed some optimism. Overall, the ratio of pessimists (low, very low and highly unlikely) to that of the optimists (likely and highly likely) was four to one.

Factors and concerns that contribute to poor loan payments

Section six of the questionnaire was helpful in achieving objective two: *To collect relevant data on the factors and concerns that contribute to poor loan repayments.* All the respondents described their trends in servicing of their loans as irregular. This was not strange because all the respondents were purposefully identified on account of their being bad/ poor debtors. According to the BTP records, while one respondent had not made any payment whatsoever, the rest were irregular in their payments. This was corroborated by the respondents' own estimations of the number of months missed in payments (Fig. 6).

The majority (23) of respondents indicated that their income was generally spent on meeting family livelihood needs, citing food, clothing, family emergencies, groceries, and raising the family. Education and health were also commonly highlighted. Another major reason for defaulting was the presence of other financial obligations. All respondents owed money on at

least one other account, and this was a common source of concern, with at least 10 respondents acknowledging being in prolonged arrears on other accounts in addition to the BTP loan. Monthly payments on these loans range from N\$ 100-1000. Given their low incomes, these amounts represent a considerable proportion of their earnings, and therefore, create a serious stress on their ability to repay BTP loans. Furniture, clothing, water and electricity were commonly mentioned. Water and electricity were the commonly cited (seven) accounts followed by the combination of water, electricity and clothing accounts (six).

Importantly, the general feeling was that it was more logical to service other debts for fear forfeiting their plots, house and other assets or other punitive measures. Also, water and electricity form part of their day-to-day requirements, and likely to receive more urgent attention. Others were breadwinners and were therefore responsible for many other family members, not just those in the household. Respondents were asked to prioritise four identified factors in terms of their influence on servicing loans. The results are summarised below (Table 2).

An important factor in a money economy is the ability to save and develop cost cutting measures. None of the respondents was a registered member of Shack Dwellers Federation of Namibia (SDFN). Neither did any one belong to a savings group. A question about estimated monthly savings yielded nothing, except for respondents highlighting that low income, high cost of living and big families were hindrances to saving.

Additional issues

Additional issues raised by the respondents revolved around the process of building houses, the finance system and communications. In terms of building houses, there were concerns that the respondents were trapped in a money-borrowing situation. There was a general feeling that the loans were inadequate to complete the houses. Incomplete structures (Appendix two) force them to borrow money from other sources, meaning adding to their indebtedness. Monthly payments on the BTP loan, payments to builders and purchasing of building material were reportedly intertwined and increasing pushing the beneficiaries into more debt. Suggestions from the respondents in this regard were three fold:

- Because of too many hidden transaction costs which ultimately push the cost of building, the BTP should consider building houses and making them available as a loan once they are ready for occupation.
- Private hardware stores were expensive and this could be avoided by the BTP directly selling materials to its clients
- The BTP takes up the responsibility of paying builders, the role of beneficiaries being to identify a builder;

Discussion, Conclusions and Recommendations

This study was premised on the postulation that understanding the livelihood of the beneficiaries of a low-income loan scheme is critical to the success of such initiatives. This is because livelihoods have far-reaching implications on beneficiaries' ability to service the loan, build and complete their houses. Therefore, appreciating livelihoods better positions such

initiatives to take into account the dynamic and complex socio-economic challenges faced by low-income groups.

The following discussion explores implications arising from several salient issues emerging from the results, accomplishing the third objective: *to use the data and analyse how the situations might influence the beneficiaries' obligations to the BTP and impact on the BTP initiative*. This section therefore focuses on these issues, structured around the following themes: an interpretation of the respondents' profile and the Build Together Programme. The latter focuses on the following sub-themes: understanding of the BTP's aims, process of accessing loans, reasons of applying and attitudes toward serving the loan, the use of the loans and factors contributing to poor servicing of loans. Thereafter, conclusions are drawn and some recommendations are suggested.

An interpretation of the respondents' profile

Generally, most of the beneficiaries are middle aged people, which a stage is referred to as the 'beginning of independent adult life' where in most cases, they cannot afford to buy and yet require access to dwelling (Malpass and Murie, 1999). At this stage, many start to buy or build houses like they are doing now, which is costly considering their income status. Most of them are single and some and they have many dependants. This suggests that they have, in many cases no partner to share the costs of the housing and they need bigger houses than what is designed for them by BTP. Limited level or lack of formal education, poor literacy and numeric skills meant that the respondents typified the many Namibians structurally excluded

from the formal economy because of their limited formal education. They are confined to wage labour and home-based industry.

A number of conclusions can be drawn from the above profile. Generally, the respondents belong to the low-income bracket. Pressures for day-to-day subsistence are high, and their low-income situation does not help the situation. Prospects for earning extra income are low. Limited formal education backgrounds place a serious constraint in terms of job opportunities. Confined to low paying jobs, the respondents are also predisposed to job instability, which collectively impose a hand to mouth life style, with little or no prospects for saving.

Another point to note is the fact that most of the respondents came to city of Windhoek in search for better life opportunities. While the study's sample is small, there is nevertheless evidence of some level of credence to the notion of 'urban pull factors' and urbanization as more than half was born outside of Khomas (the region in which Windhoek is found). Furthermore, the factors identified for relocating to the areas were very much symptomatic of those commonly identified with urbanization.

Understanding of the BTP's aims

Although the majority of respondents claimed they understood the aims of the BTP, they were unable to substantiate their claims. Elaborations were most of the time no more than an indication that the programme provided housing loans. That the programme had a specific clientele (low income group) did not come through clearly. Only with a bit of probing was the fact that the scheme was a loan service that had to be paid back in time raised. Furthermore,

despite claims about the lack of clarity of the programme's aims by some of the respondents, their statements were not considerably different from those who claimed otherwise. Both groups generally exhibited a limited understanding of the programme's aims. For example, some respondents spoke of the programme more as a handout from government than a loan. Neither did the majority make an association between low income/ poor people with the programme or the other considerations of the programme such as housing expansion etc. For the larger part, the aims were seen more in the context of building a new structure from the scratch in spite of the fact that some of the respondents were only upgrading their structures.

In summary, three key issues emerged about the clarity of the BTP aims. First were concerns about the lack of clarity about the programme's aims. And this was empirically demonstrated by limited knowledge of the programme's aims. Second, explanations by the respondents, even after being probed yielded very little, except the recognition that the BTP was a government initiative aimed at assisting with housing. Thirdly, from both the programme beneficiaries and employees, there were perceptions of lack of staff capacity and expertise. Linked to this were concerns by the programme beneficiaries about the general management of the programme.

Process of accessing the loans

Expediency of the process to access loans was the focus here. Only about a third of the respondents saw the process as expedient, in other words, 'easy' to use. On this account, it is arguable that beneficiary satisfaction was low in so far as the perception of expediency of service is concerned. Bureaucratic inertia, intermittent disbursements of funds, long waiting periods before initial payment and delayed inspections were some of the reasons for the

perceived difficulties with the BTP. File tracking and retrieval was another major concern, with some reports of forgotten or lost files being raised.

Delayed remittances were a common complaint and were confirmed by the BTP staff. According to the BTP staff, the process is supposed to take less than three months if the funds are available and up to six months if funds are not available at time of processing the application. A shared concern by both the BTP officers and the beneficiaries was the negative impact due to price increases as beneficiaries awaited funding.

The process for servicing loans was questioned by both the BTP staff and the beneficiaries. A key point in questions revolved around when the beneficiaries were meant to start making payments after receiving the loan. BTP officers interviewed were not only unsure, but provided conflicting information. This was especially strange given that the official position of the BTP on the matter is clearly stipulated in the mortgages bond and loan agreement. Many of the respondents did not know the correct time to start servicing the loan.

Beneficiary satisfaction, in terms of the process was arguably low in so far as perceptions of quality of service are concerned. Reasons expressed in relation to the process being regarded as relatively difficult/ very difficult included perceptions of bureaucratic inertia in the BTP, intermittent disbursements of funds, long waiting before initial payment and delayed inspections that in turn delayed building.

Reasons of applying and attitudes toward servicing the loan

Two main reasons were recorded for the beneficiaries' applications for the loan assistance: to have own shelter and to accommodate the family. Both reasons are logical considering the socio-economic characteristics of the respondents: exposed to poverty due to their limited formal education, under-employment and huge demands on their limited earnings. To this end, the attitudes amongst the respondents towards servicing the loans can be described as positive (i.e. very important or important). But this was clearly contradicted by the fact that all the respondents described their trends in servicing of loans as irregular (Fig. 6).

Defaulting on the loans is a serious problem. Reasons cited for defaulting were varied, but in many instances they were linked to conflicting household priorities such as water and electricity payments, education and medical requirements. The general feeling was that it was more logical to service other debts for fear forfeiting their plots, house and other assets or other punitive measures. Also, water and electricity form part of day-to-day requirements, and likely to receive more urgent attention. Others were breadwinners and were therefore responsible for many extended family members, not just those in the household.

The situation in the BTP calls for concern given the low recovery rates. As has been shown in other contexts, there is need for concern for two main reasons: one, the government would no longer be able to sustain subsidization of the housing projects in any way due to the growing fiscal constraints. Two, the upgrading of areas and building of the houses will not be take place without effective rate of cost-recovery (Sanyal, 1987). This is a matter that requires policy intervention to resolve. A clear policy position is needed to provide strategic direction.

Use of the loans

The study revealed that the implementation process once the money has been disbursed was rife with problems. A major problem was non-completion of houses on time. Various reasons were advanced for non-completion of building/ upgrading. Of note were reports about the designs being too big in comparison with the available money. During the field visits, foundations and or designs underpinned by a desire to consolidate/ expand the structures were noticeable. In such cases, it can be realistically speculated that the money was used up long before project completion, although some respondents claimed they had completed some rooms and were anticipating expanding the houses in the future.

Another concern was the perceived inadequacy of the loan in meeting the building/ upgrading requirements. This was a recurring complaint even among those who followed the BTP design. Consequently, all the respondents who had completed their projects reported that they drew on additional personal resources to complete the projects. For some, this situation was compounded by inadequate sources of extra income and competing financial obligations.

Other problems that emerged related to the builder and client relationship. As all of the respondents relied on self-employed builders, problems such as a builder stopping to work or seizure of materials due to non-payment for work done were reported. This not only delayed progress, but in some instances also compromised the quality of the final product as some stoppages occurred at building stages.

Factors contributing to poor servicing of loans

A major obligation on any loan is regular payment by the beneficiaries. Otherwise, two situations are likely to happen: first, the service provider carries the risk of liquidity problems, hence being unable to meet long term goals, and secondly, beneficiaries become exposed to prolonged indebtedness due to rising interest rates. Neither is good for the intended beneficiaries nor the service provider. It is important that in the case of the BTP, beneficiaries service their loans continuously, and in that way, helping the service provider to be of continued service. And yet, the reality suggested by this study is one of every thin prospect.

It was evident that the non-payment of monthly instalments is related to the question of affordability and whether the beneficiaries can afford to sacrifice their physiological and immediate needs. The respondents recognized the importance of servicing the loans, but they did not meet this expectation in reality. Low-end jobs and their associated poor salaries that characterized the respondents were commonly cited as reasons for poor servicing of loans. So was employment instability. There were claims of retrenchments/ loss of employment hence lack of income, family mishaps like funerals, sickness and theft.

Further, people with large families (average of six point five people per household) have to spend more on subsistence needs. Overall, they are placed in a position of deprivation, if net income is used as an indicator. Without any money to spare for saving, low or non-existent disposable income and unreliable sources of income in some cases, the expectation of monthly installments is practically unrealistic, especially if the money is not directly debited from their bank accounts. Other immediate needs under the circumstances would take precedence over paying for the loans. A major conclusion is that livelihoods are very tenuous as basic needs

come before loan payments. Logistical and administrative issues by the BTP were also raised, for example, delayed receipt of monthly statements outlining monthly instalments and being unsure of BTP payment points. Implicit reference to poor communication by the BTP, inadequate or unclear explanations from BTP officers were made.

Conclusions

While the BTP beneficiaries are willing to service the loans, their socio-economic circumstances and particularly their livelihoods dictate that they meet other immediate needs first. It is also clear from the study that there are many factors that contribute to poor servicing of loans. Poor salaries, unstable employment, lack of income and limited income generating opportunities, among other factors, combine in ways that militate against servicing the loans. Large household sizes and the attendant requirements for household livelihoods were noted. The respondents' articulation of the aims of the programme was weak. The process of acquiring loans was variously described, positively and negatively, with the majority voicing concerns about a host of issues.

And yet, the BTP approach to loan recoveries is based on the conventional approach whereby clients are expected to pay monthly instalments. This approach fails to acknowledge the complex and dynamic nature of livelihood survival strategies that are dominant determinants of attitudes and behaviours of poor people. Such attitudes and behaviours are also reflected in decisions on whether to service a loan or meet other pressing household or family priorities. Therefore, it can be argued that an understanding of livelihood strategies of the beneficiaries is a necessary prerequisite for engaging urban poor with intentions of building support for low-income housing initiatives. Developing insights into beneficiaries' backgrounds, socio-

economic circumstances and livelihoods is thus critical to the sustainability of initiatives such as the BTP. Such an approach is essential because the ability to service the loans is the result of a suite of interacting socio-economic factors and processes operating at individuals, households and even extended family levels.

Having other types of accounts contributes to the beneficiaries' having too many financial obligations at one time. Grimes (1976) argues that affordability of housing does not only depend on the income available to the household but also in the capacity to afford the costs involved. Therefore, any effort to improve the urban housing has to start from improving the monthly low-income (Seckelmann, 1997). Because situations such as of BTP's beneficiaries influence negatively their obligations to the loans, causing them to fall deeply into arrears and have uncompleted houses where both impacts on the initiative.

Recommendations

In view of the above discussion, conclusions and their implications, the following recommendations are suggested:

- According to Lewin (1976) training and education in principles, organisation, method of cooperation and cooperative management to all the stakeholders or participants has always remained inadequate in initiatives. Training for beneficiaries in various aspects will be essential in BTP. Among the areas for training would be the following:
 - Basic brick laying and other skills homeowners may need in building their own houses. When people within the community carry out the actual construction, there are opportunities of the money staying in the community. Where the homeowner does the building, the money can be used to expand the size of

unit. In this way, the programme would not only provide the houses and service but also promote the amalgamated self-managed community.

- Budgeting and beneficiaries' responsibilities (repayments/ service and effects of not servicing)
 - Managing relationships between builders and home owners
 - Scheduling and material procurement, management and use
 - Service/ call centres and key contact persons since communication was reportedly a major problem
- A clearer distinction in the type of loans between those involving constructing new houses and those for expansion needs to be made. By extension, building plans should be approved according to the loan amount available to the type of building (upgrading or building from scratch), which is also based on what the applicant can qualify for.
 - Clear incentives to motivate beneficiaries' work within the established framework should be considered. Similarly, inaction on defaulters has led to the problem becoming endemic. Initiation of appropriate measures as outlined in the contracts could promote communication between BTP staff and beneficiaries and even help in servicing loans. Some of the respondents saw the loan as a mere government hand out.
 - Concerns around bureaucratic hindrances, inadequate communication, staff shortages and delays in processing loans, conducting inspection and receipt of monthly instalments were noted. Problems such as these would require administrative and management action rather than policy intervention.
 - Improved communication about various aspects of the loan scheme including clarifications of beneficiary obligations, risks involved and how the BTP seeks to assist

the low-income group. Beneficiaries are more likely to make their payments on time if they are clearly informed of their responsibility for repayments and the penalties of arrears right at the beginning of the loan (Peterson and Klak, 1990)

- Non-completion of houses in some cases is partly attributable to unaffordable designs. Restricting beneficiaries to the BTP designs or other affordable designs should be enforced for the first construction. Thereafter, the beneficiaries can add to the structure. The current policy that allows different designs is risky from a cost point of view for the beneficiaries.
- One of the reasons that BTP was introduced is to provide the building materials at affordable cost to low-income families (GRN, 2002; Itewa, 2002). This does not seem to be happening. Respondents indicated that they buy building materials at commercial hardware shops. At these shops, prices are high for the low-income groups. This will need to be resolved, for example by ensuring that building material up to an agreed amount is delivered to the stand of the potential end beneficiary.

Future research

From a research point of view, this study represents empirical research on the perceptions, experiences and behaviours of end-beneficiaries that is quite limited in Namibia. Given the nature of issues emerging from this particular study, future research could consider the following questions:

- How does end user satisfaction differ in respect self-help and contractor driven housing? This question will encourage the exploration of the dynamics in the evolving

BTP strategies. A contractor driven strategy is presently absent, but it may well be one option worth considering under certain circumstances.

- Is there a place for self-help or community driven approach to the construction of housing in Namibia under the BTP initiatives? This is important given the nature of problems highlighted between the contractors and the BTP beneficiaries. The link between the BTP and NGOs and CBOs might require further strengthening. The training component is one area that this partnership can address.
- What are the advantages and disadvantages of a self help approach? This question deserves research, not only because of the tensions between the contractors and beneficiaries, but it can help in skills development among community members. Skills such as brick laying and others necessary for building houses would contribute to the human capital of the affected communities.

Words = 7479

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APPENDIX ONE

Figures and Tables

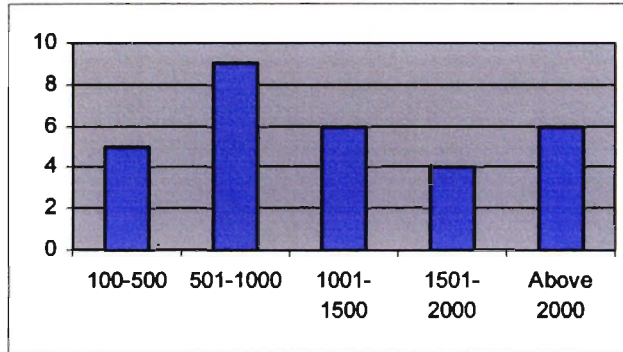


Figure 1.

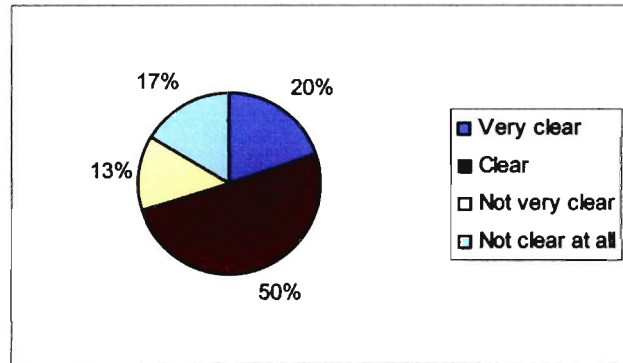


Figure 2.

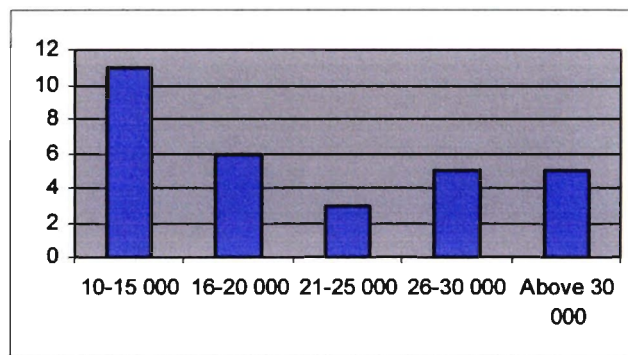


Figure 3.

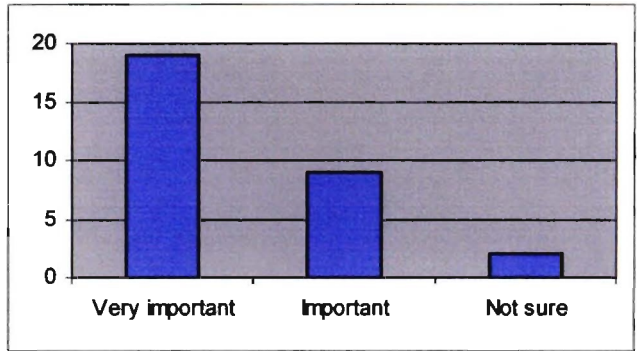


Figure 4.

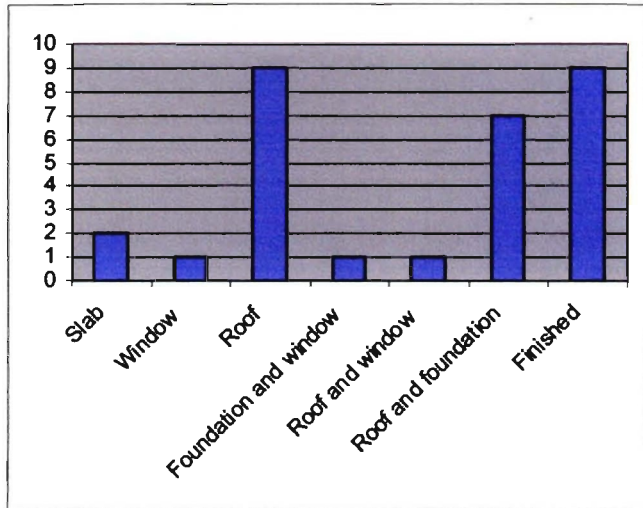


Figure 5.

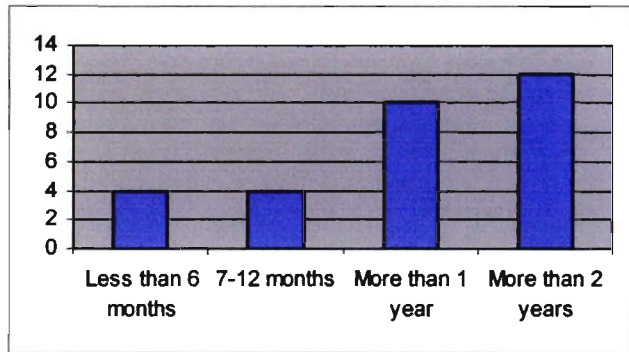


Figure 6.

Table 1.

Reason	Number of respondents
School/ education opportunities	2
Just migrating	1
Spouse got transferred	2
House exchange	2
Proximity to work place	1
Move from rented house into own house	3
Forced removal by previous government	4
Moved by current from illegal area	1
To have own place	14

N = 30 because multiple responses were not permitted

Table 2.

Factor	Score			
	1	2	3	4
Inadequate salary/ income	25	5	-	-
Meeting immediate family needs	19	5	4	2
Serving other loan/ financial obligations	13	8	6	3
Other	-	-	-	-

1 denotes a higher effect/ influence on ability to pay while 4 denotes the least effect.

Figure captions

Figure 1: Net monthly income

Figure 2: Understanding of BTP's aims

Figure 3: Loan amounts received from BTP

Figure 4: Importance of paying back the loan

Figure 5: Level of building / upgrading

Figure 6: Period of defaulting on the loan

Table captions

Table 1: Reasons for relocating to present residence

Table 2: ranking of identified factor's influence on ability to service loans

APPENDIX TWO



Picture A.
BTP's design.



Picture B.
Incomplete structure at a roof level.



Picture C.

Incomplete structure. One side is at a foundation level and another side is at a roof level.



Picture D.

Incomplete structure of upgrading.

APPENDIX THREE

Loan repayments: Monthly payment with interest rate over a period of 20 years.

Loans (N\$)	5%	5.5%	6%	6.5%	7%	7.5%	8%	8.5%	9%
3000	19.80								
4000	26.40								
5000	33.00								
6000	39.60								
7000	46.20								
8000	52.80								
9000	59.40								
10 000	66.00								
11 000	72.60								
12 000	79.20								
13 000	85.80								
14 000	92.40								
15 000	99.00								
16 000	105.60								
17 000	112.19								
18 000	118.79								
19 000	125.39								
20 000	131.99								
21 000	138.59								
22 000	145.19								
23 000	151.79								
24 000	158.39								
25 000		171.97							
26 000			186.27						
27 000				201.31					
28 000					217.08				
29 000						233.62			
30 000							250.93		
31 000								269.03	
32 000									287.91

Source: GRN 2003a.

APPENDIX FOUR

Build Together client Questionnaire

INTRODUCTORY

My name is Rosemary Shikangalah. I am a Masters student in the Environmental Management and Development Programme at the University of KwaZulu-Natal. I am carrying out a research on poor loan repayments of Build Together Programme clients. The purpose of this study is to understand and explore factors that are contributing to poor loan payments from both the beneficiaries and staff point of view. The overall findings will be provided to the BTP management for consideration.

With the permission that I got and the agreement that I have made in writing with Build Together Programme, I would like to assure you that your information will be entirely confidential. Therefore I would appreciate if you could spend a few minutes of your time to answer a few questions.

1. RESPONDENTS'/ BENEFICIARY'S PROFILE

1.1 Age:years Don't know

1.2 Sex: Male Female

1.3 Marital status: Married Bereaved Separated Divorced Unmarried

1.4 Home language/ tribe:

Oshiwambo Herero Lozi Damara/ Nama Afrikaans English Others

(specify).....

1.5 How far have you gone in education? (The highest level attained)

None Primary Secondary Tertiary Other

(specify):.....

2. BENEFICIARY'S BACKGROUND

2.1 Household size (number of people living in the house and 'eat from the same pot')

Adults..... Children..... Elderly (above 75 years old)

2.2 Where were you born?

Region District.....

2.3 How long have you lived in this compound/house : year (s) month(s)

2.4 Where did you live before you came to this compound/house?

.....

2.5 Why did you come to this compound/house?

.....

2.6 Did you work (formally employed) before moving here? Yes No (If No, skip to section 3)

2.7 If Yes, please briefly describe the kind of work you did before coming here?

.....

2.8 Why did you leave your previous work?

.....

3. SOCIO – ECONOMIC ASPECTS

3.1 Are you presently employed? Yes No (If No, skip to 3.7)

3.2 Full-time Regular Job Part-time Job No Regular Job Other (specify):.....

3.3 Please describe/ name type of job

.....

3.4 What is your estimated monthly income after deductions (take home salary):

Less than N\$ 100 N\$ 100- 500 N\$ 1001-1500 N\$ 1501-2000 Above N\$ 2001

3.5 Do you have any alternative source(s) of income? Yes No (If No, skip to 3.8)

3.6 Please name/ describe the alternative source(s) of income. (Skip to 3.8).

.....

3.7 Since you are NOT employed, please describe your main source(s) of income?

.....

3.8 Estimated earnings (not necessarily monthly)

Less than N\$ 100 N\$ 100- 500 N\$ 1001-1500 N\$ 1501-2000 Above N\$ 2001

3.9 Do you have anybody else in the household who earns an income? Yes No (If No, skip to section 3)

3.10 How much does the person bring in? (per month?)

Less than N\$ 100 N\$ 100- 500 N\$ 1001-1500 N\$ 1501-2000 Above N\$ 2001

4. THE BUILD TOGETHER PROGRAMME

4.1 How clear are BTP's aims to you?

Very clear Clear Not very clear Not clear at all

Elaborate your answer:

.....

.....

4.2 In what year did you become a beneficiary of the BTP project?

4.3 How much did you apply for from the BTP?N\$

4.4 How much did you ultimately receive?N\$

4.5 Which of the following factors mainly motivated you to apply for the BTP loan? (*Tick one*)

Have own shelter/ property Live in the city Accommodate family Other

(*specify*).....

4.6 How would you describe the process of accessing (getting) the BTP loan? (*Tick the most appropriate choice below*)

Very easy Easy Relatively difficult Very difficult

Explain your answer.....

4.7 In your opinion, how important is it that you pay back the loans?

Very important Important Not important Not sure

Kindly elaborate:.....

5. USE OF BTP LOAN FUNDS (IMPLEMENTATION)

5.1 When (year) did you start building/ upgrading your house?

5.2 Have you finished constructing/ upgrading your house? Yes No (*If Yes, skip to 5.4*)

5.3 If *No*, how far have you gone in building/ upgrading your house?

Foundation level Slab level Window level Roof level

5.4 Give reasons for **not** finishing your house.

5.5 How would you rate your chances of building a house without the BTP assistance?

Very high High Low Very low Highly unlikely

5.6 Who was/ is responsible for building your house.

6. FACTORS AND CONCERNS ABOUT BTP LOAN PAYMENTS

6.1 How would you describe your payment toward this loan?

Very regular Regular Irregular Others (*specify*)

Elaborate your answer.....

6.2 What was the reason for failing to make the monthly payments?

.....
.....

6.3 For how many months did you miss making your payments?

1-2 3-4 5-6 7-8 9-10 11-12 More than a year More than two years

6.4 How sufficient is this amount you get to cover all the needs for building your house? (*If very sufficient/ sufficient skip to 6.6*)

Very sufficient Sufficient Barely sufficient Completely insufficient

6.5 If the money is not enough (barely sufficient or completely insufficient), how do you make up for the shortfall?
.....
.....

6.6 Do you have other financial assistance (formal and informal loans)? Yes No (*If No, skip to 6.10*)

6.7 How much monthly payment do you make for each one?.....
.....
.....

6.8 Do you have arrears to these other loans? Yes No (*If No, skip to 6.10*)

6.9 How many months did you not pay for each one?
.....
.....

6.10 Are you a registered member of SDFN? Yes No

6.11 Do you belong to a saving group? Yes No

If yes, please specify the saving groups
.....
.....

6.12 How much do you save each month and for which services?
.....
.....

6.13 Do you have other things that you make monthly payment to? Yes No (*If No, skip to 6.14*)

If yes, please specify the type and amount used per month.

(a) Services.....

(b) Credit.....

(c) Send money home.....

(d) Others specify.....

6.14 Do you have arrears to these other payments? Yes No

6.15 How do you find the situation of making your payments? (*Tick the most appropriate choice below*)

Very easy Easy Relatively difficult Very difficult

6.16 What other problems do you experience in making your payments for your loan (and other things) ?

.....
.....

6.17 In order of priority, how would you rank the following factors in affecting your ability to pay the loan?

(Write one (1) to the most priority and four (4) to the least priority).

Serving other loan obligations (*Amount*)..... Serving other financial obligations
(*Amount*).....

Meeting immediate family needs (*Amount*)..... Inadequate salary/ income
(*Amount*).....

Others (*specify*) (*Amount*).....

6.18 Please describe anything else you would like me to know about your feelings towards the BTP project as a client?

.....
.....
.....
.....
.....

Thank you very much for your time and agreeing to participate in this study.

APPENDIX FIVE

Interview schedule for the BTP officer in the MRLGH

My name is Rosemary Shikangalah. I am a Masters student at the University of KwaZulu-Natal, Centre for Environment, Agriculture and Development. I am carrying out a research on poor loan repayments of Build Together Programme (BTP) clients. The purpose of this study is to understand and explore factors that are contributing to poor loan payment of BTP from both beneficiaries and staff point of view. The overall findings will be provided to the BTP management for consideration.

I would like to assure you that your information will be entirely confidential. I would appreciate if you could spend a few minutes of your time to answer a few questions.

Date

Introduction

Job title/ position.....

A summary of the major responsibilities for the position:

.....

Contact details for any clarification on the information given

.....

1. How many beneficiaries did you have by 2004 (total number)
2. Is there any relationship between the SDFN and BTP, If yes, what is the relationship?
Individual.....Saving groups.....services
3. How would you rate the progress of BTP in Windhoek so far, explain your answer?
4. In your understanding, why does the BTP have to recover at least 80% of its costs? Set from beginning?
5. If such cost recovery were not made, how would this affect the overall running and administration of the BTP?
6. The 2003 report of the MRLGH on assessment workshop for the decentralized BTP states that loan repayments are poor, especially from the self-employed and low-income. How is that so?
7. How does the BTP programme get budgeted (annually-new amount given)? If not how the programme gets financed?
8. How much arrears have been reported k in Windhoek so far?
9. How did that affect the running and administration of BTP?

10. How do you think the arrears will impact on the programme in the near future, especially in Windhoek, if the arrears are not paid?
 - (a) In finance terms
 - (b) In any ways
11. When follow ups are made on the defaulters, what are the common problems found to be in making their repayments?
12. How do some of these problems get solved?
13. What does the committee do to bring the defaulters to fulfil their obligations?
14. What other alternatives and assistance are offered from the BTP side to the clients with arrears?
15. Did you do the research to see whether the clients receive your letter/ statement?
16. When do the clients are suppose to start paying their loan back? The clients seems to be worried that they start paying back before finishing their houses, they start to pay as soon as their houses are at the window level.
17. In some cases the government / ministry end-up paying the loan for some clients
 - (a) What type of cases are these ones (who kind of people are this ones)?
 - (b) Does those cases have any effects on the programme finance, the running and administration of the programme?
18. What happens when one of the spouses dies?
Transferee the loan to the window.... what if the monthly instalment is too much to fit in the window's salary?
19. I understand that the clients do not completely get the whole amount that they applied, around One or two hundred goes to the lawyer or something?
20. What about SANLAM life bond and INSCON insurance?
21. Can you explain the SANLAM table for me?
22. What does INSCON stand for?
23. Are there some cases where the client does not get the whole amount applied for because the other part of the loan is used to pay for the late parent's loan?
24. Do you have any other comments on the programme and the repayment issues?

Non-completion of houses.

25. How would you rate the progress of the beneficiaries in building/upgrading their houses, explain your rating choice?
26. One of the problems reported by the MRLGH in the 2003 assessment workshops, is the non-completion of houses. Are there any improvement on this problem ... if not, what happens that the beneficiaries are not completing their houses?
- 27. What kinds of houses are supposed to be built by these loans that they are given? Any specific style?**
28. At what levels are the clients supposed to report to you for more money?
29. The clients seems to be building bigger houses or adding more rooms than the loan can cover, How does that this affect the programme at this point.... How it will affect the programme if it goes on like that?
30. What other circumstances hinder the beneficiaries from servicing their loans?
31. What is usually done to avoid the non-completion of houses?
32. Do you have any other comments on the non-completion of houses?

Thank you very much for your time and agreeing to participate in this study.

APPENDIX SIX

THE SOUTH AFRICAN GEOGRAPHICAL JOURNAL

STYLESHEET FOR CONTRIBUTORS

Authors **must** adhere to the style as laid out here when preparing manuscripts for submission to the *Journal*. Failure to do so will delay refereeing and publication. Note: S.I. units must be used throughout; tables should be appended on separate sheets; a separate list of figure captions must precede the figures; and figures should be appended on separate sheets. Figures must be clear and legible for reproduction at single column width; computer graphics of high quality are only acceptable if the linework and lettering is comparable to conventional productions.

The first page of the typescript should contain the title of the paper and the name(s) and full address(es) of the author(s) in the style shown eg:

RAINFALL AND AGRICULTURE IN THE EASTERN CAPE, 1900-1994

M.E. JAMES and R.V.B. DEANE

M.E. James
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Department of Geographical & Environmental Sciences
University of Natal
King George V Avenue
Durban
4001 South Africa

The second page must repeat the title of the paper, followed by an **abstract** of approximately 100-200 words in which the principal findings of the research should appear.

RAINFALL AND AGRICULTURE IN THE EASTERN CAPE, 1900-1994

Abstract

Climatological records show dramatic variability of rainfall in South Africa as a whole during the twentieth century. In theory, agricultural productivity should match these variations, a proposition that is tested with specific reference to crop yields in the eastern Cape. Strong associations do indeed exist between rainfall patterns and agricultural activity. Other changes, such as variations in farm size and farming technologies, appear to exert little effect.

The introduction (and subsequent text) must be typed in double-spacing. The introduction should not contain any subheadings. Leave a space between paragraphs. References to be cited as shown. List citations in ascending date order, and alphabetically within the same year. One or more publications by an author in the same year must be distinguished by appending letters a, b, c to the citations. Main headings should be in bold type.

Introduction

Throughout the history, human activity on the land has been governed by the availability of water. In all the available historical research, however, little attention has been given to quantitative estimates of the precise relationship between Furthermore, in South Africa, data are now available for the first time which allow detailed examination of the effect of changes in farming practices on crop yields.

In their discussion the historical geography of agriculture, both Smith (1977) and Andrews (1978) show a keen awareness of the climatological constraints ...

Indent and punctuate particular points as shown, and designate alphabetically. The expression *et al.* is used when the work of more than two authors of one work is being cited. Use 'n.d.' to show that a work has no publishing date. Footnoted material to be marked with a superscript.

Rainfall Variability in South Africa

The principal rainfall variations in South Africa have been studied only recently (Reed, 1994). Preliminary screening of climatological data in Southern Africa by Deane (1980, 1983b) shows that numerous sites in the eastern Cape are subject to extreme variations (Fig. 1). Data on precipitation at selected mission stations in the nineteenth century show that:

- (a) rainfall was heaviest in summer;
- (b) rainfall exhibited great variations within decades¹; and
- (c) yields varied in concert with rainfall, with a lag of several months (Parker *et al.*, n.d.).

These findings differ markedly from those reported in the study undertaken ten years ago during storm conditions (Brown, 1986), but approximate those made by Gill (1989).

Type subheadings in italics, aligned with the left margin of text. Avoid placing subheadings directly after a main heading. Refer to Figures and Tables as shown. Quantities less than ten should be expressed verbally, otherwise numerically.

Agriculture in the Eastern Cape

Information pertaining to crop yields at 1 117 Cape farms disclose a strong geographical variation which is best understood in terms of two major regions.

The Northern District

The two most distinctive features of yields in this part of the country are ... (Figs 2 and 3). Altogether, ten per cent of the crop yields ... Precipitation at each of the stations shows a very pronounced diurnal variation (Table 1). Early morning and early evening patterns are similar excepting at land lying higher than 1 000 m, but at all other times ...

The Southern District

There are three notable components evident in the eastern zones of the study area (Deane, 1993a). As suggested elsewhere (Francis, 1977, 1978) these accord well with observations that ...

Direct quotations should be cited using double inverted commas and must contain a page(s) reference. Direct quotations which are more than three lines in length should be inset from

both margins and typed in single spacing without inverted commas. Avoid ending a paragraph with a long direct quotation.

Rainfall-Agriculture Relationships

In her landmark study, Tessig (1965, p.89) proposed that in dry areas especially, regional studies of arable and pastoral activity which failed to attend to climatic constraints were 'a charade'. Others have made the same argument (Yelch, 1962; Bore, 1988), although Tedious (1977, pp. 286-287) has noted that:

Direct links between climate and agriculture are never proven absolutely until the likely mediating affect of human agency can also be ascertained, and this is the true challenge facing interdisciplinary research science today.

Taking these various opinions into account, and bearing in mind the well known warning given in 1902 by a Government minister,² who ...

Equations should be laid out as shown below:

The relationship between rainfall and production of maize may be expressed as follows:

$$P = 1,53R + 0,86T \quad (1)$$

where P is production in tonnes ha⁻¹, R is January-March rainfall in mm, and T is a measure of technology levels (Gill, 1989).

Do not introduce new material in the conclusion, and do not use point form in this section.

Acknowledgements should follow immediately after the text.

Conclusion

In the eastern Cape during the twentieth century the nature of agricultural activity correlates extremely strongly with patterns of rainfall. On the one hand, ... On the other hand, ...

Taking into account the major differences pinpointed in the Cape region, it is reasonable to suppose that...

Acknowledgements

Grateful thanks are due to M.J. Mouse who drew the maps, and to the Dollar Foundation which provided financial support for the research. The conclusions reached are solely those of the authors.

Footnotes should be kept to a minimum and must be collected numerically at the end of the typescript. Use small superscript digits to number the notes, and indent the text of the notes. Notes should be used for archival references and **not** as a device for elaborating the text or making asides.

Notes

¹ Central Archives Depot, Pretoria (CAD), Department of Agriculture (DA) 468 (12/345): Memoranda concerning production of grain in the colonies, March 1976 - December 1993

² CAD, DA 469 (47/521): Minister of Lands to Prime Minister, 12 October 1902

³ *Ibid.*, 9 December 1902.

The reference list

The reference list is **not** a bibliography and must contain only material which is cited in the text. **Complete information should be provided for every reference.** Organise the references alphabetically without numbering. The initials of authors and/or editors must appear behind the surname(s). Use the convention 'Anon.' to refer to unknown authors. Do not use '*et al.*' in the reference list. Date of publication must appear as in the examples. Punctuate all material exactly as shown. The only words which are capitalised in the titles of journal articles are proper nouns. The titles of journals should **not** be abbreviated. Book and periodical titles should be italicised. Volume numbers must be included for journals, but part numbers should only be used if the pagination in successive issues is not sequential. The names of book publishers and city/town of publication must be included. Monographs and dissertations/theses to be cited in the style shown. Leave a blank line between references.

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Sample figure and table captions

These should be presented on separate sheets immediately preceding the figures.

Figure Captions

Figure 1: The spatial variation of rainfall off the east coast in the summer of 1949 (from Wetty, 1954).

Figure 2: The geography of crop yields.

Figure 3: Rainfall - crop yield relationships, 1944-1954.

Table Captions

Table 1: Farm size classification in the Cape, 1956-1978 (Source: South Africa (Republic), 1976).

