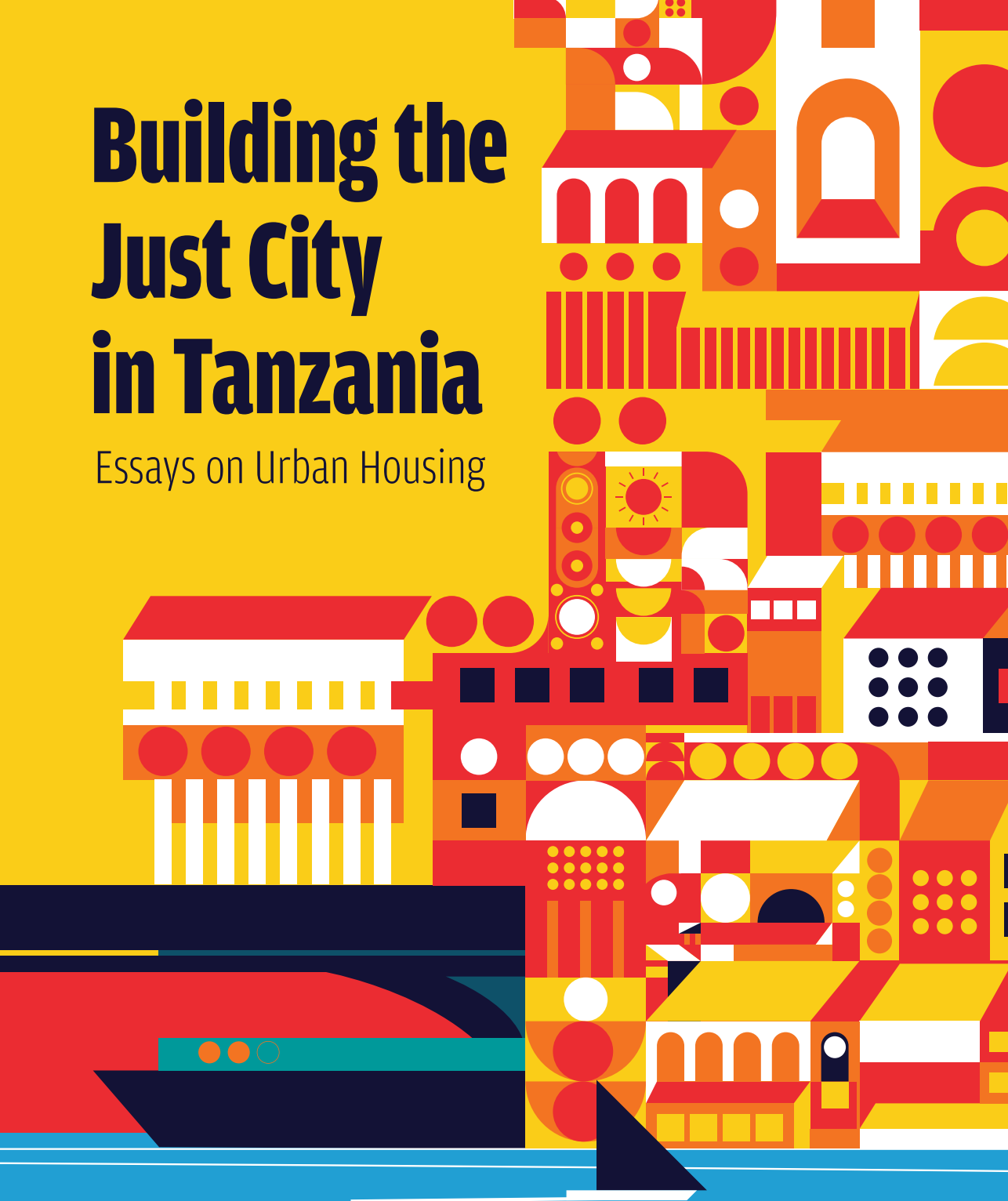


Building the Just City in Tanzania

Essays on Urban Housing



© Friedrich-Ebert-Stiftung Tanzania, 2022

All rights reserved.

The findings, interpretations and conclusions expressed in this paper do not necessarily reflect the views of Friedrich-Ebert-Stiftung. Friedrich-Ebert-Stiftung does not guarantee the accuracy of the data included in this work.

Commercial publication is not permitted without the written consent of Friedrich-Ebert-Stiftung Tanzania. For information and permission, contact Friedrich-Ebert-Stiftung Tanzania.

Friedrich-Ebert-Stiftung Tanzania

P.O.Box 4472

6 Mwai Kibaki Road

Dar es Salaam

Tel: +255 22 266 8575

info.tanzania@fes.de

<https://tanzania.fes.de>

ISBN 978-9912-41-006-0

Front cover artwork: Nickson Jeremiah

Back cover photo: Elisabeth Bollrich

Layout design: Sam Gidori

Contents

| | |
|---|------------|
| Foreword | iii |
| About the Authors | vi |
| | |
| Governance and institutional framework for ensuring just access to housing for all | 1 |
| 1. Introduction | 2 |
| 2. Laws and regulations relevant to the governance of the housing sector | 3 |
| 3. Political developments, trends in housing policy administration and key actors | 5 |
| 4. Summary | 12 |
| 5. Policy implications | 15 |
| 6. References | 17 |
| 7. Annex | 20 |
| Just access to land for affordable housing in Tanzania | 21 |
| 1. Introduction | 22 |
| 2. Urban land use planning in Dar es Salaam | 22 |
| 3. Urban land access and land use rights | 25 |
| 4. Persistent Issues in Access to Land and Housing | 36 |
| 5. Conclusion | 37 |
| 6. References | 39 |
| When housing is more than houses: implications of space-use intensity for housing policy in Tanzania | 46 |
| 1. Preface | 47 |
| 2. Introduction | 48 |
| 3. The continuum approach to urban informality | 48 |
| 4. House interviews to reveal “space-use intensity” | 51 |
| 5. Tanzanian insights on urban formalization | 56 |
| 6. Key messages for a more effective housing policy | 65 |
| 7. References | 66 |
| 8. Annex | 71 |

| | |
|--|------------|
| Just and secure access to adequate and affordable housing | 73 |
| 1. Introduction | 74 |
| 2. History of housing inequalities in the city of Dar es Salaam | 75 |
| 3. Overview of housing affordability | 76 |
| 4. Critical Inputs that guarantee access to affordable and adequate housing | 82 |
| 5. Growing female-headed households in the city | 84 |
| 6. Recommendations | 85 |
| 7. Conclusion | 86 |
| 8. References | 88 |
| A multi-sector approach to housing in urban Tanzania | 90 |
| 1. Introduction | 91 |
| 2. Housing the urban poor in Tanzania | 91 |
| 3. Housing, public services and infrastructure | 92 |
| 4. A multi-sector approach to housing | 94 |
| 5. Strategies to apply multi-sector approaches: an assessment of the Chamazi Housing Project | 94 |
| 6. Conclusion | 97 |
| 7. References | 99 |
| Financing affordable and adequate housing in Tanzania | 100 |
| 1. Introduction | 101 |
| 2. The provider approach (1961 – 1971) | 102 |
| 3. The enabling approach (1972 – 1985) | 103 |
| 4. The neo-liberal turn (1986 - 2022) | 106 |
| 5. Credit availability through housing microfinance | 111 |
| 6. Conclusions | 113 |
| 7. Policy recommendations | 115 |
| 8. References | 117 |

Foreword

By Elisabeth Bollrich

With this collection of papers, the Just City Platform (JCP) Tanzania—an independent, multidisciplinary coalition of urban practitioners, trade union and civil society organization members, as well as academia—that has been facilitated since its inception in February 2021 by Friedrich-Ebert-Stiftung (FES) Tanzania Office hopes to make a meaningful contribution to the debates on the complexities of urban housing in Tanzania. It is the outcome of a political-economy and discourse analysis that helped the Working Group on Housing—under the broader Just City Platform—illuminate underlying mechanisms of housing production and access in Tanzania. Besides offering an introduction to the housing sector in Tanzania and providing basic knowledge of major problems and trends, the motivation of this collection is to advance the debate on social justice. To this point, we welcomed contributions that contribute to understanding what choices have been made, what patterns emerge and how it shapes the provision of affordable, adequate, suitable, and secure housing.

The lack of affordable urban housing in Tanzania cannot be ignored. Yet, insecure housing is a global phenom-

enon. It is also critical to understand that, globally, housing is highly commodified and financialized. It reproduces socio-spatial inequality. The global housing crisis intersects with national and urban political-economic issues, so that situated analyses are essential to developing solutions that work. Housing deficiencies in Tanzania are currently addressed by encouraging the private market to build—sometimes by turning to public-private partnerships (PPPs). But there is a need to look beyond growth. Upgrading informal settlements is another strategy. Are these sustainable solutions? Who actually experiences the housing crisis in Dar es Salaam? More knowledge is needed to explore lived experiences of under-housed low-income earners. What about urban planning processes: do they use public participation? Are public services coproduced by service users and local communities? We wish to argue for a context-specific model in Tanzania, where the increasing housing need is currently met by using informal rental markets.

Chapter 1 by Albert Nyiti explains the governance and institutional frameworks for housing, and it discusses how these frameworks impact just access to housing for all. It begins by looking at the land and property provisions, which underlie housing provision. A key contribution is Nyiti's discussion of language and why some housing-re-

lated concepts in Kiswahili are difficult to translate. He explores the National Housing Corporation (NHC), the first parastatal established after independence, which underpinned the commitment to provide affordable housing to the poor. While he notes that there have been efforts to put in place a National Housing Policy (NHP) since 2003, with the draft policy ready since 2018, he demands collective action to bring housing back on the national agenda.

Chapter 2 by Felician Komu analyses access to urban land for housing in Dar es Salaam and why land access is not a panacea to the housing problem. While land-related laws in Tanzania address social justice on paper, implementation strategies have advanced unworkable urban solutions that have exacerbated inequality in access to land. He also details how the urban land tenure system, typically separated between formal and informal systems, is much messier in reality: with much of the formal housing in a state of exception to these standards—and with shades of grey in between formality and informality. Another issue is that public space is disregarded or privatized, which raises urgent questions of social spaces for recreation, or parks to combat climate change, and for disaster mitigation in the event of flooding or fire.

Chapter 3 by Maria Carrizosa examines space-use intensity in informal housing in Dar es Salaam. She demonstrates that housing is an indispensable social protection, acting as self-supplied social insurance—which is part of the hustle of getting by in the city. Seen from that perspective, instead of insisting in binaries and building on the informality-as-nuisance discourse, she offers a differentiated approach that embraces the back-and-forth movements between formality and informality—a fact that should be used to re-center the housing policy to connect housing with the economic activities it is hosting, as well as services, and social protection.

Chapter 4 by Tatu Mtwangi-Limbumba centers on just and secure access to affordable and adequate housing for marginalized groups, analyzing major factors influencing affordability, such as access to land and financing. She particularly looks at female-headed households in Dar es Salaam, which makes housing a largely (and increasingly so) women's issue in need of better integrating and mainstreaming gender in urban planning and the housing policy agenda. She shows that a focus on tenants' welfare is significant, and that the protection of low-income and vulnerable tenants, what might be called social housing, are important strategies for fighting rising inequality and wealth concentration. Developing such measures shows that there is a need to go beyond land tenure.

Chapter 5 by Tim Ndezi, the founding director of the Centre for Community Initiatives (CCI), concerns the multisectoral approach to housing. Infrastructure and services access are linked to income in Dar es Salaam with disparities in the availability and affordability of basic services. Housing location matters and relocation makes lives more expensive, for example, through worse transport access. He also observes that the law only requires compensation for structure owners and landlords, which is why many families affected by evictions for development plans are not compensated. He then discusses an affordable housing solution for affected communities in Kurasini, Dar es Salaam. He demonstrates that the government needs to go beyond house ownership and come up with a community involvement plan.

Chapter 6 by Tumsifu Jonas Nnkya concentrates on public financing of affordable and adequate housing. From his long experience in civil service, he sees that financing affordable and adequate housing in Tanzania is a daunting task given the low-income character of most households. Government efforts targeted at mortgage financing—always directed to promoting home ownership—have been unable to provide access to housing mortgages for low-income families. This explains why they need to look for alternative financing. In addition, mortgage lenders prefer to lend for buying

a house, not construction. He describes how the typical incremental housing development in Tanzania is largely financed by “self-help” financing. This offers an entry point for microfinance, but also a special housing fund for loan guarantees. There is certainly a need to supply affordable housing and services together, while taking into consideration people’s ability to pay.

FES in partnership with the JCP Working Group on Housing offers this edition as an introduction to critically engage with a housing policy for the urban poor in Tanzania. It is our wish to conclude each essay with a range of policy recommendations to increase awareness about the disarray of the urban housing market in Tanzania and improve planning and investments in housing to serve the needs of renters—a forgotten group—and, importantly, vulnerable and lower income groups. We remain grateful to the JCP members, who are dedicated to the realization of promoting a socially just urbanization in Tanzania. Appreciation goes to Amon Petro who committedly convenes the housing working group’s meetings. We are especially grateful to Ryan Thomas who patiently edited the drafts of all chapters—including cross-checking relevant data—with all authors and consolidated the chapters into a readable version.

About the Authors

Albert Nyiti is an urban planner; currently employed as an assistant research fellow at the Institute of Human Settlements Studies (IHSS), Ardhi University in Tanzania. Albert is a member of the Just City Platform (JCP) housing working group in Tanzania.

Dr. Felician Komu is a principal researcher in real estate and housing with Majengo Estate Developers Ltd, Tanzania, and a retired academic from Ardhi University. Felician is also a member of the Just City Platform (JCP) housing working group.

Maria Carrizosa is an urban informality researcher, Assistant Director of the Observatory on Latin America, and university professor at The New School University and the City College of New York.

Dr. Tatu Mtwangi Limbumba is a senior research fellow at the Institute of Human Settlements Studies, Ardhi University. She is specialized in housing, informality and urban poverty. Tatu is a member of the Just City Platform (JCP) housing working group.

Dr. Tim Ndezi is the founding director of the Centre for Community Initiatives (CCI) in Tanzania, a nongovernmental organization affiliated to Slum Dwellers International (SDI) which empowers communities living in informal settlements through addressing a range of issues such as housing; water, sanitation and health; as well as savings and credit. He is also a member of the Just City Platform (JCP) housing working group.

Prof. Tumsifu Jonas Nnkya is former director of housing at the Ministry of Lands, Housing and Human Settlements Development in Tanzania. In 2014, he retired from public service and returned to the university where he had served from 1980 to 2008. He is the co-founder of the Association of African Planning Schools. He is also a member of the Just City Platform (JCP) housing working group.

1

Governance and institutional framework for ensuring just access to housing for all

By Albert Nyiti



1. Introduction

This reflective paper seeks to analyze how the governance and institutional framework at both city and national levels affect and impact the promotion of justice in access to housing for all in Tanzania. The paper explores the housing governance systems, including available policies, legal frameworks, and key actors' roles, interactions and power relations. The study borrows concepts from the new institutional theory (North 1990; Peter 2004; March and Olsen 2006; Nuhu, 2018). The theory explains institutions through reference to both formal and informal institutional approaches prevailing in the access and provision of public goods, such as housing and services in Sub-Saharan African countries (among others, Kombe and Kreibich 2001; Quaye 2014; Nuhu, 2018; 2019; 2020).

Furthermore, the new institutional theory takes a governance approach, as opposed to only examining government (Obeng-Oddom, 2017). As documented by Stoker (1998:18), governance entails a "set of institutions and actors that are drawn from but also beyond government". It also refers to a network of actors, their roles and responsibilities, the relationship between institutions and exercising authorities, and the distribution of power among them.

The 'just city' concept used in the paper draws from Susan Fainstein's (2008) conceptualization of a city that incorporates dignity, diversity and equity, and democracy. Dignity means respecting an individual's or a group's right to be valued and treated ethically. Equity and diversity are realized when a city's benefits and ideals are shared equally and equitably by all its residents. A city with diversity appreciates that democratic processes may result in the exclusion of some people; as a result, the city is able to put in place safeguards to preserve minorities' rights. Moreover, democracy is displayed in a city where all residents make collective decisions in a manner that respects all citizens' dignity, protects minorities' rights, and takes equity and diversity into account (ibid). This paper, therefore, puts in question the current governance and institutional framework by accounting for the extent to which dignity, diversity and equity, and democracy are reflected in access to housing for all in Tanzania.

In current times, attempts to address urban governance issues have been highly affected by a shift from a provider approach to an enabling approach (Briggs and Mwamfupe, 2000; Nuhu, 2018). Although the government has succeeded to acquire dominant power over land in the country, local, international, and informal actors have also been on the rise (Kedogo et al.,

2010; Msangi, 2011; Nuhu, 2018). The Tanzanian Draft National Housing Policy (2018) points out that the country lacks a legal framework devoted to the development, management, coordination, and implementation of housing initiatives and programs by these diverse actors, to the detriment of housing rights protections. This is a warning message that signifies impediments towards dignity, as well as diversity and equity, for housing access in Tanzania. Since 2018, the NHP has remained in draft form, awaiting government approval. Even though there are efforts towards having an NHP in place, this excessive delay in approving the draft suggests little commitment to support housing in the country. Despite these facts, the country possesses a number of laws that govern the housing sector; most times housing related issues have been lumped together with land issues (Kironde, 2021).

The next section discusses the main laws and regulations that govern the housing sector, along with their legal impacts. After that, the following section discusses administrative actors and trends in the enforcement and implementation of the legal framework. Considerable attention is paid to the various actors' involvement in housing provision. The final section concludes the paper with an assessment of the housing system's contribution to making just Tanzanian cities.

2. Laws and regulations relevant to the governance of the housing sector

At the national level, there are several laws that have an impact on the housing sector. Article 24 (1) of the Constitution (amended 1977) states that every citizen has the right to own 'property' and the right to have that 'property' protected in line with the law. Furthermore, Article 24 (2) states that it is illegal to deprive someone of their 'property' for any reason without the authorization of a law that provides for just and reasonable compensation. The right to own property may enhance access to housing, but it is not equivalent to the right to housing. This is because 'property' covers a wide range of legal titles that are not necessarily housing. In addition, relying on the right to own property as a justification of the right to housing is an understatement, because housing is not just a property but a basic necessity. Other laws that have an impact on the housing sector in Tanzania, apart from the constitution, include the Urban Planning (Space Standards) Regulations of 2018; the Local Government (Urban Authorities) (Development Control) Regulations of 2008; the Mortgage Financing (Special Provisions) Act No.17 of 2008; the Unit Titles Act No. 16 of 2008; and the National Human Settlements Development Policy of 2000.

Respectively, these policies, laws and regulations set the ground for provision of the following:

- Guidelines on space standards for laying out housing during construction;
- Responsibilities of the local government authority to ensure orderly planning of cities and development control;
- Access to housing finance;
- Enhancing condominium housing units' ownership; and
- Advocating for adequate shelter for all.

It is uncertain whether these provisions ensure just access to housing for all in Tanzania. This is because (i) the provisions are not directly related to housing and, (ii) despite their presence, 70% of Tanzania's urban housing stock is still in informal areas. The fact that people had to seek housing outside the formal system is an indication of an unjust framework for housing access among urban residents in Tanzania. There are also a number of other laws and policies from the land sector that operate both at national and city levels that influence the housing sector. These include: The Land Policy of 1995; the Land Use Planning Act No. 7 and the Land Act No. 4 of 1999; the Village Land Act No. 5 1999/Land

(Amendment) Act (2004); the Urban Planning Act No.6 (2007); the Land Acquisition Act Cap 118 (2002); the Urban Authorities (Rating) Act (1993); the Architect and Quantity Surveyors Registration Act (2016); the Land Registration Act (Cap 334 R.E 2002), the Registration of Documents Act (Cap 117 R.E 2002), the Local Government (Urban Authorities) (Cap 288) Act 1982; and the Local Government (District Authorities) (Cap 287) Act (1982).

Popular land sector regulations that have played a role in improving the housing sector include the Land (Schemes of Regularisation) Regulations (L.N. No. 85 of 2001). The regulations were set to implement the 1999 Land Act (No. 4 of 1999 as provided in section 56-60 and 179). Despite putting in place schemes of regularization, its operationalization was in a vacuum at the beginning (Magigi and Majani, 2006). Magina et al, 2020 argued that initially, regularization was financially supported by the MLHSD and donor funds in Mwanza and Dar es Salaam. Later, other urban authorities implemented the regularization including Dodoma, Moshi, Tanga, Iringa and Morogoro, using internal sources. Magina et al, 2020 added that despite this purposeful quest, the aforementioned urban authorities failed to meet the intended objectives. The regularisation did not achieve sustainability after donors pulled out and the government gradually gave less

attention to land related issues in the following years. Another major reason for failure was limited community participation in the regularization process.

Regularization was stumbling until its re-birth owing to strong political will from the then Minister responsible for lands housing and human settlements development, Hon. William Lukuvi (in office from 24th January 2015 to 8th January 2022). Seeing the potential in regularization and the land tax for increasing revenues for the government, the Minister advocated for Public Private Partnership (PPP) in the countrywide regularization program (MLHHSD, 2021). Regularization was also promoted as improving the provision of basic infrastructure and services in the project areas. There is no doubt that land regularization promoted security of tenure among land and housing owners (Magina et al, 2020). Notwithstanding, its implementation has raised concerns such as little attention paid to infrastructure other than roads (schools, health centers), and open spaces (Magina et al, 2020). Regularization also necessitated a review of existing town planning standards, for example, lowering the minimum road and plot sizes to make them appropriate especially to the pro-poor. Despite the above, the project is still seen to bear potential of raising property taxes and land rents, which are at present not effectively tapped by the govern-

ment. Implementation of this project is therefore two-sided as far as promoting just access to housing for all in Tanzania is concerned. On the one hand, it improves security of tenure on land and housing where the bulk of the urban poor live. On the other hand, the intervention provides sub-standard or inadequate infrastructure and deficient services, which are unjust to people living in the project areas. This bitter-sweet outcome of the Land (Schemes of Regularisation) Regulations (L.N. No. 85 of 2001) has raised questions about whether it is the right approach towards addressing the informal land and housing issue in the country.

3. Political developments, trends in housing policy administration and key actors

At the national level, the Ministry of Lands, Housing and Human Settlements Development (MLHHSD) is the lead institution on matters that concern housing policies, laws and regulations. However, other key actors include: the Ministry of Finance, the Bank of Tanzania, the Ministry of Local Government Authorities (PO-RALG), ministries responsible for works, communications, energy, water, irrigation; and utilities. Other critical government agencies include those responsible for roads, electricity, water and wastewater as well construction of public

buildings (Draft NHP,2018; JCP,2021). The following subsections detail key agencies' roles and responsibilities.

3.1 Ministry of Lands, Housing and Human Settlements Development (MLHHSD)

One of the core functions of MLHHSD is to put in place policies and other institutional frameworks to support and enable citizens in getting access to adequate housing (MLHHSD,2021). The Just City Platform's (JCP) political economy analysis on housing uncovered the roles of MLHHSD to include regulating urban planning, guiding policy actions, facilitating production of houses, securing tenure, and increasing citizens welfare. Among other policies emanating from the ministry is the National Human Settlements Development Policy (NHSDP) of 2000, alongside the Draft National Housing Policy. Although the NHSDP (2000) advocates for adequate shelter for all Tanzanians, it does not commit the government to achieve specific housing objectives in the nation. This partial synergy in the two policies has for some time been raising eyebrows. To shed more light on the above perception, the following is an extract from an article by Professor Lusugga Kironde published in The Citizen Newspaper on 8 July 2021.

“Development of a National Housing Policy has been making snail-slow progress (and even regress) since 2003. One obstacle to overcome has been the argument whether we actually need such a policy in the light of the existence of the National Human Settlements Development Policy of 2000.”

One of MLHHSD's requested deliverables for preparing the Draft NHP (2018) entailed providing a justification for its establishment in Tanzania. This would as a result provide an account that would differentiate it from the NHSDP, 2000. The tasked team from the Institute of Human Settlements Studies (IHSS), Ardhi University (ARU) suggested that there was widespread acknowledgement and evidence in policy documents, practice, and literature that 'housing' and 'human settlements' policies were not synonymous. Housing policy defines the government's position underlining its aspirations to increase the quality and quantity of housing stock for all people, or for specific social groups like the urban poor or homeless people. Such a policy would also outline the precise tactics and goals that must be met and strategies to achieve the same. Human settlements policy, on the other hand, deals with the totality of a hu-

man community environment whether a city, town, or village including the entire social, economic, material, organizational, spiritual, and cultural elements that sustain and constitute it. Here, the sphere of influence or coverage is much wider and incorporates many issues beyond housing, including transportation, rural-urban linkages, urban agriculture, governance, hierarchy of settlements, urban form and structure (IHSS-ARU, unpublished).

Housing was once an issue central to the national agenda (Kironde, 1992). The fact that the National Housing Corporation (NHC) was the first parastatal established in 1962, soon after independence, is a vivid example of the first commitment to address the housing issue (Kironde, 2021). The NHC was intended to provide affordable housing to poor Tanzanians, despite the fact that its role has now shifted to becoming a government-owned real estate company (Izar and Limbumba, 2020). It is worth noting, and ironic, that the housing sector has never found a permanent home, it has been under different ministries at different times (Kironde, 2021; Nyiti and Genes, 2022). Before the early 1970s, it was under the Ministries of Health and Local Government, before being transferred to the Ministry of Lands, where it was renamed to the Ministry of Lands Housing and Urban Development. In 1992, the then Department of Housing was

combined with the Planning Department and renamed to the Department of Human Settlements, following its then relatively small portfolio. Housing was withering in the department until it was re-established in 2004, owing to some efforts by UN-HABITAT. This new housing directorate operated until 2019, when it was dissolved and re-absorbed into the Human Settlements Development Department. There, it has been reduced further and combined with property development to form the Housing and Property Development Section. In this institutional self-absorption, the then-housing directorate had only two units, namely: Housing Finance and Housing Development, and was again the smallest unit at MLHHSD (Kironde, 2021; Nyiti and Genes, 2022). Moreover, even words that are found in the approved functions and organization structure of MLHHSD, as approved by the president of URT on 29th January 2022 (see Annex 1), emphasizes land over housing (Figure 1).



Figure 1. Word cloud generated from the organization structure of MLHSD indicating land related matters overshadowing housing matters (Source: author)

Another fact that can be derived from Figure 1 is that despite it been derived from ‘approved functions’ and ‘organization structure’; functions of the Ministry e.g., physical planning, regularization, mapping, registration, valuation have been overshadowed with people positions such as director, commissioner, and chief to mention a few. Perhaps this has more to do with MLHSD organization structure and less on its approved functions. This study therefore calls for a refinement of the approved functions and organization structure of MLHSD to one that fits-in criteria of what it truly represents.

Nyiti and Genes (2022) argue that perhaps this marginalization of the housing sector is deeply rooted in the Swahili language. There is controversy from the language on how to properly interpret the terms ‘housing’ and ‘human

settlements’. Housing is directly translated as *nyumba*, while human settlements is translated as *makazi*. However, regardless of one’s education level and profession, the two Swahili terms are seemingly used to denote the same thing. Technically, ‘housing’ has different layers of meanings across a variety of stakeholders, like real estate agents, land officers, property valuers, town planners, architects, quantity surveyors, and civil engineers, among others. Interviews with experts from the land and housing sector suggested that, while some see housing as a basic necessity to all people, or a human right, others see it as commodity, or simply as a functional structure that people reside in (Nyiti and Genes, 2022). Furthermore, the Swahili word *nyumba* is also being used by regular Tanzanians to mean ‘house’, ‘shelter’, or ‘building’. The analysis revealed that it is

quite common for Tanzanians to call a typical 'commercial building', *nyumba ya biashara* which directly translates to 'house of business'. These confusions have transcended to the national political regime. It seems to have led to a lack of appreciation and will by the government in giving housing the prominence it deserves as a cornerstone of standard of living (Nyiti and Genes, 2022).

On the brighter side, once the NHP is endorsed, the following are some of the expected responsibilities of MLHSD:

- Decentralizing the functions of the Housing Directorate (now re-absorbed into the Department of Human Settlements) to the zonal offices;
- Collaborating with the ministry responsible for local government to secure establishment of a housing section in all local authorities;
- Enacting a Housing Act including passing of housing regulations and other relevant regulatory frameworks to include building codes, housing guidelines and standards;
- Promoting and facilitating investments in housing by the public and private sectors; and

- Mobilizing resources and investments in housing for the low and the middle income (Draft NHP,2018).

The above account is a clear indication that MLHSD is central to bringing significant transformations in governance of the nation's housing sector. The analysis however, identifies major structural and cultural setbacks that have propagated the dwindling of the sector. Furthermore, MLHSD cannot address promoting just access to housing in isolation, forming a good framework with other relevant actors is crucial to the positive development of the sector.

3.2 Structure of housing finance

Access to mortgages has been one of the burning issues in the housing sector (see Tumsifu Jonas Nnkya in this edition). With more than 70% of the urban housing developed in informal settlements, many urban residents do not possess certificates of right of occupancy (CRO). CROs act as collateral for accessing mortgages, which implies that, without it, borrowing is not an option. Since Tanzania has no social housing program in place, this leaves the fate of affordable housing in the hands of market forces. The market has, over the years, denied the low-income groups the right to live

in adequate and affordable housing in Tanzanian cities, and the hope of counteracting these issues has been vested in the Draft NHP (2018). The Ministry of Finance and Planning, through the Central Bank, has been tasked to ensure that all interest rates on mortgages and housing microfinance are affordable to the majority of urban residents. The Draft NHP (2018) also advocates for the delivery of social housing to cater subsidized rental housing to low-income earners (see Tatu Mtwangi-Limbumba in this edition).

3.3 Local Government Authorities (LGAs)

The local government authorities (LGAs) are responsible for exercising orderly planning of cities, ensuring city development control, as well as looking after public welfare (JCP, 2021). The local governments have been struggling to follow through with these responsibilities over the years, because there is no up-to-date housing policy in place. The Draft NHP (2018) calls for LGAs to lead its implementation and to coordinate all other stakeholders within their jurisdiction. It further proposes local government authorities to collaborate with the central government to: establish and institutionalize a housing section in the local government authorities; promote and facilitate investments in housing by public and private sector actors; facilitate de-

livery of affordable housing; as well as deliver social housing in respective local authorities and mobilize resources for and promoting investments in housing.

Despite this important role allocated to the LGAs, it is unclear how this can be materialized given the current structure of the housing sector. The question to be asked here is: how will LGAs collaborate with the central government in establishing and institutionalizing a housing section if the main housing section in the department has been re-absorbed into another department? This poses a significant systemic challenge and lack of clarity on pre-identified goals for the development of the housing sector in the country. Hypothetically, ideal traits of this collaboration would be: postulating clear roles, responsibilities and power relations that do not have overlaps and conflict of interests between these two levels of government authorities for effective decentralization of the housing sector.

3.4 Public Housing Corporations

Public housing corporations in Tanzania include the NHC, Watumishi Housing, and Tanzania Building Agency. Despite public housing corporations being the main implementing arm of the government in delivering housing, they account for only 5% of the housing stock in Tanzania. In the 1960s, the NHC

was constituted to deliver housing for all people in urban areas. However, the NHC was reconstituted through Act No. 2 of 1990 to provide housing in Tanzania. In 2005, the Act was amended through (Misc. Amendment) Act No. 2 of 2005 to enable the corporation to conduct business on sound commercial principles (NHC, 2021). This transformed the corporation into a completely government owned real estate firm, ready to compete in the market. One of the major reasons for this transformation was that the central government fell short on their capacity to fund NHC operations, as a result the corporation needed to be able to generate its own revenue to finance its activities. With the benefit of strategically located properties, the NHC mostly produces housing for the middle-high and high-income groups. The cooperation still claims to produce affordable housing, but most city dwellers cannot afford its housing offerings (as elaborated further by Tatu Mtwangi-Limbumba in this edition). Perhaps it is time to start exploring viable options for establishing a designated corporation that will deal with the development of affordable housing in the country since NHC went commercial.

3.5 The Private Sector

The draft NHP (2018) expected the private sector to aid in its implemen-

tation. Private sector roles include:

- Delivery of buildable and affordable land for housing;
- Delivery of housing including affordable housing for various income groups;
- Provision of infrastructure services;
- Production and supply of affordable building materials;
- Provision of housing support services including financial and technical services; and
- Collection and dissemination of information on housing.

The private sector may perform these roles alone or in partnership with the public sector as public-private-partnerships (PPP). The state has increased its reliance on the private sector to promote urban development (Izar and Limbumba, 2020). The private sector is profit oriented and has been marginalizing the urban poor, leaving informal housing as the go-to option for them (as elaborated further by Tatu Mtwangi-Limbumba in this edition).

3.6 Civil Society Organizations

Civil society organizations play a significant role in the promotion of just access to housing for all. This is because they

usually advocate on behalf of disadvantaged community members in matters related to accessing affordable housing. Such acts create public awareness and mobilize communities on housing related issues, such as sanitation. A good example can be drawn from the Centre for Community Initiatives' (CCI) case of Chamazi low-cost housing (as covered by Tim Ndezi in this edition). The project delivered affordable housing to tenants that had been displaced from Kurasini, another neighborhood in Dar es Salaam, following the government's intent to widen the Dar es Salaam port.

3.7 International Agencies

The JCP identified global agendas to be instrumental, in particular the Sustainable Development Goals (SDGs), alongside the New Urban Agenda (UN Habitat 2016). Multilateral and bilateral development organizations play a crucial role in providing financial and technical support to the housing sector, especially placing affordability at the core.

3.8 Academic and Research Institutions

Academic and research institutions are essential to the housing industry. This is because they can provide both long- and short-term training in the housing sector. Academic institutions train professionals and paraprofessionals involved in the housing supply val-

ue chain. These include professionals working in land development and delivery, financial services, infrastructure and service provision, building material manufacturing and supply, and technical services. The following are some of universities alongside their specific associated research institutes that are relevant to the housing sector in Tanzania:

- Ardhi University-Institute of Human Settlements Studies and Institute of Building Research;
- University of Dar es Salaam;
- Ardhi Institute Tabora;
- Institute of Rural Development Planning Dodoma;
- Tanzania Institute of Accountancy; and
- Institute of Finance Management.

4. Summary

The following table (Table 1) emphasizes the findings and emerging issues from the institutional framework with a special focus on promoting just access to housing for all. It highlights gaps in the institutional framework that need to be addressed to attaining just cities in the country. The table also identifies all actors alongside their roles in the housing sector. The table is then followed by Figure 2 which is a condensed illustration of the Tanzanian housing institutional framework with a focus on identified key actors from the study.

| Category | Actor | Main Role(s) in Housing | 'Just City' Gap(s) |
|------------------------------|---|---|--|
| Central Government | <p>1. MLHHSD (With support from the ministry of finance & BoT, PO-RALG; ministries responsible for works, communications, energy, water & irrigation)</p> <p>2. Government Agencies (Utilities DAWASA & TANESCO; TANROADS; TARURA etc.)</p> | <p>Put in place policies and other institutional frameworks to support and enable citizens in getting access to adequate housing</p> <p>Infrastructure and Services provision</p> | <p>No up-to-date NHP in place</p> <p>Delay of NHP endorsement by the government</p> <p>Decentralizing the functions of the "Housing Directorate" to the zonal offices and LGAs</p> <p>Affordable rates of services to the urban poor</p> |
| Local Government Authorities | 3. LGAs (Cities, Municipalities and Townships) | Exercising orderly planning of cities, ensuring city development control as well as looking after public welfare | Collaborating with the MLHHSD in establishing and institutionalizing a housing section which has already been reduced |
| Housing Finance | 4. Financial Institutions | Provision of housing finance | High interest mortgage interest rates, lack to no access for the urban poor |

| Category | Actor | Main Role(s) in Housing | 'Just City' Gap(s) |
|-----------------------------|--------------------------------|---|---|
| Housing Developers | 5. Public Housing Corporations | Housing Construction Housing Construction, Making and selling of building materials | Transformation to government owned real estate companies and still expected to provide affordable housing |
| | 6. The Private Sector | Affordable housing construction, advocacy and lobbying on behalf of communities or/and create public awareness and community mobilization on housing related issues such as sanitation. | Highly profit oriented |
| | 7. Civil Society Organizations | Housing Construction | Access to resources to implement their roles |
| | 8. Individuals | | Inadequate access to affordable housing |
| International Organizations | 9. Development Partners | Providing financial and technical support to the housing sector especially in the provision of affordable housing | Achieving global agendas in the local context |
| Academia | 10. Academic institutions | Research and training of Housing experts | Political influence in the research and practice process |

Table 1. Summary of the Tanzanian housing institutional framework and the gap towards attaining just city status (Source: JCP, 2021)

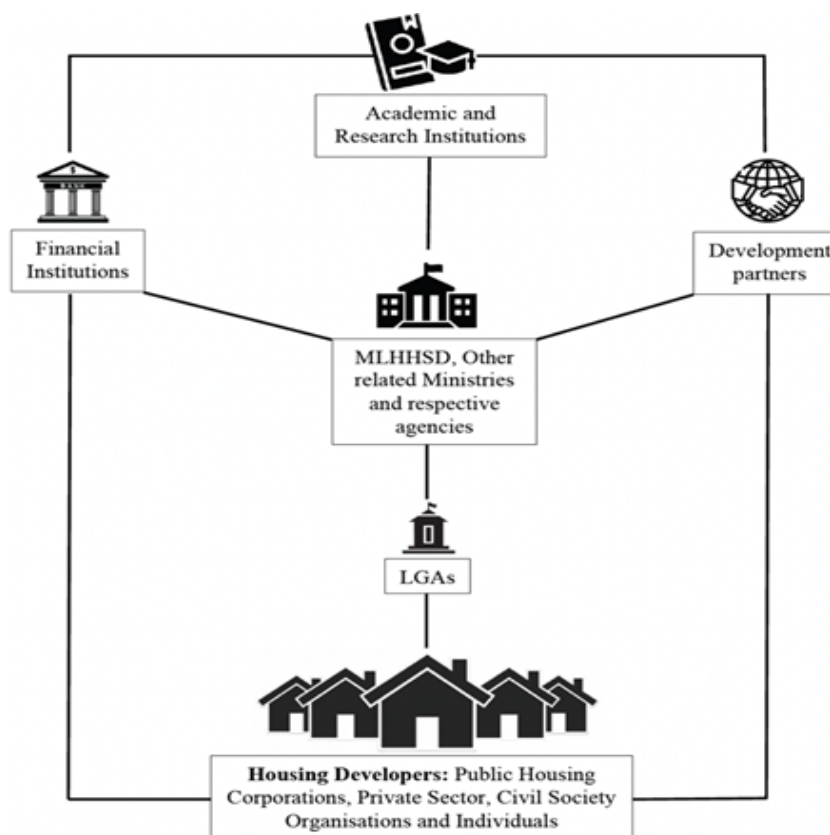


Figure 2. A condensed illustration of the Tanzanian housing institutional framework

5. Policy implications

The Tanzanian housing sector lacks a designated statutory set up in place. This situation has largely contributed to the unjust access to housing for all. Though housing was one of the first issues addressed by the post-colonial government, it has since been marginalized and left behind on the na-

tional agenda. This study calls for the endorsement of the NHP by the government that has been a draft since 2018. However, enacting a housing law and passing its relevant regulations to effect it, and strengthening enforcement at all levels, is only one step toward transforming the housing sector. A more holistic approach, including systematic transformations of the housing

sector that links theory, practice, and implementation, is key to return housing on the surface of Tanzania's governance and institutional framework.

The study also calls for the refinement of approved functions and organization structure of the MLHHSD figure, as approved by the president of URT on 29th January 2022. As it stands, the provided figure (Annex 1) has been found to be more focused on the organization structure and less on the functions of MLHHSD. Developing a clearer figure of the two merged issues of MLHHSD is advised. Another significant recommendation is on the need to establish an Affordable Housing Corporation (AHC) following NHC's commercial transformation. This will help facilitate the gap for promoting just access to housing in the governance and institutional framework of the housing sector in Tanzania. It is a little contradictory instructing NHC to be a fully-fledged commercial entity on one hand and still expect the corporation to provide affordable housing on another hand. Moreover, there is no doubt that the regularization project has attempted to improve tenure security in informal settlements despite offering little improvements to infrastructure. However, there are significant impediments towards achieving just access to housing at both city and national level. To address this, major transformations are needed in the governance and institu-

tional framework of the housing sector. In order to kickstart these transformations, MLHHSD should spearhead dialogues among all of the key actors to promote just access to housing for all. This quest lies at the core of JCP as it seeks to give housing the prominence it deserves in the political, social, and economic development agenda.

6. References

Institute of Human Settlements Studies-Ardhi University. (Unpublished). The Importance of and Justification for a Stand-Alone National Housing Policy, Ministry of Lands, Housing and Human Settlements Development (ML-HHSD), Ardhi University, Dar es Salaam.

Izar, Priscila & Limbumba, Tatu Mtwangi (2020): A matter of value: assessing the scope and effects of Tanzania's national housing corporation's development strategy on Dar es Salaam's urban neighbourhoods, *International Journal of Urban Sciences*.

Katundu, M. A., Innocent, M. A. M., & Mteti, S. H. (2013). Nature and magnitude of land acquisitions in Tanzania: analysing role of different actors, key trends and drivers in land acquisitions, a paper presented at the international conference on "the political economy of agricultural policy in Africa" held at the Roodevallei hotel, Pretoria, South Africa, from 18-20th March 2013: South Africa, Future Agricultures Consortium.

Kedogo, J., Sandholz, S. & Hamhaber, J. (2010). Good urban governance, actors' relations and paradigms: Lessons from Nairobi, Kenya, and Recife, Brazil, good urban governance in Nairobi and Recife, 46th ISOCARP congress 2010. Nairobi: ISOCARP.

Kironde, J. M. L. (1992). Rent Control Legislation and the National Housing Corporation in Tanzania, 1985-1990, *Canadian Journal of African Studies*-Vol. 26, No. 2, Taylor & Francis, Ltd., Canada, <https://www.jstor.org/stable/485874> Accessed: 20-07-2019 05:40 UTC

Kironde, J. M. L. (2015). Good governance, efficiency and the provision of planned land for orderly development in African cities: the case of the 20,000 planned land plots project in Dar es Salaam, Tanzania. *Current Urban Studies*, 3(04), 348–367.

Kironde, J. M. L. (2021). Available online on: <https://www.thecitizen.co.tz/tanzania/news/business/focusing-on-housing-could-catapult-tanzania-into-higher-development-levels-3466056>, Accessed on 15th December 2021.

Kombe, W. J. (2005). Land use dynamics in peri-urban areas and their implications on the urban growth and form: the case of Dar es Salaam, Tanzania. *Habitat International*, 29(1), 113–135.

Kombe, W. J., & Kreibich, V. (2001). Informal land management in Tanzania and the misconception about its illegality. In ESF/N-Aerus Annual Workshop. "Coping with Informality and Illegality in Human Settlements in Developing Countries", May 23–26, 2001, Leuven and Brussels.

- Kyessi, A. & Sakijege, T. (2014).** Formalizing Property Rights in Informal Settlements and its Implications on Poverty Reduction: The Case of Dar es Salaam, Tanzania. *Journal of Business and Economics*, Academic Star Publishing Company, 5(12), pp. 2353-2371.
- Magina, F.B., Kyessi, A.G., & Kombe, J.W. (2020).** The Urban Land Nexus– Challenges and Opportunities of Regularising Informal Settlements: The Case Studies of Dar es Salaam and Mwanza in Tanzania. *Journal of African Real Estate Research*, 5(1), pp.32-54.
- March, J. G., & Olsen, J. P. (2006).** Elaborating the “new institutionalism”. In R. E. Goodin (Ed.), *The Oxford handbook of political institutions* (pp. 3–20). Oxford: Oxford University Press.
- MLHSD. (2021).** Available online on: <https://www.lands.go.tz/pages/functions>, Accessed on 15th December 2021.
- MLHSD. (2021).** Special Journal on the Launch of the National Humans Settlements Regularisation Programme.
- Msangi, D. E. (2011).** Land acquisition for urban expansion: process and impacts on livelihoods of peri-urban households. Doctorial Licentiate Thesis. Uppsala: Swedish University of Agricultural Sciences.
- Msangi, E. D. (2014).** Organic urban expansion: processes and impacts on livelihoods of peri-urban households in Dar es Salaam, Tanzania. Unpublished Doctoral Thesis. Dar es Salaam: Ardhi University.
- North, D. (1990).** Institutions, institutional change and economic performance. Cambridge: University Press.
- Nuhu, S., & Mpambije, C. J. (2017).** Land access and corruption practices in the peri-urban areas of Tanzania: a review of democratic governance theory. *Sciences*, 5, 282–299.
- Nyiti, A. & Genes, M. (2022).** Dwindling of the Tanzanian Housing Sector: Role of the Swahili Language. *IGLUS Quarterly Vol 8, Issue 2*. IGLUS-Quarterly-Vol-8-Issue-2.pdf
- Obeng-Odoom, F. (2017).** Urban governance in Africa today: reframing, experiences and lessons. *Growth and Change*, 48(1), 4–21.
- Peter, G. B. (2004).** Institutional theory in political sciences: The intuitionism. Continuum United States: New York.
- URT. (1977).** Constitution of the United Republic of Tanzania. Dar es Salaam: Government Printers.
- URT. (1982a).** Local Government (Urban Authorities) Act No. 8. Dar es Salaam: Government Printers.

URT. (1982b). Local Government Authorities Act (District Authorities Act No. 7. Dar es Salaam: Government Printers.

URT. (1997). Investment Act. Dar es Salaam: Government Printers.

URT. (1999). Land Act. Dar es Salaam: Government Printers.

URT. (2001). Land (Schemes of Regularisation) Regulations (L.N. No. 85 of 2001). Dar es Salaam: Government Printers.

URT. (2007a). Land Use Planning Act. Dar es Salaam: Government Printers.

URT. (2007b). Urban Planning Act. Dar es Salaam: Government Printers.

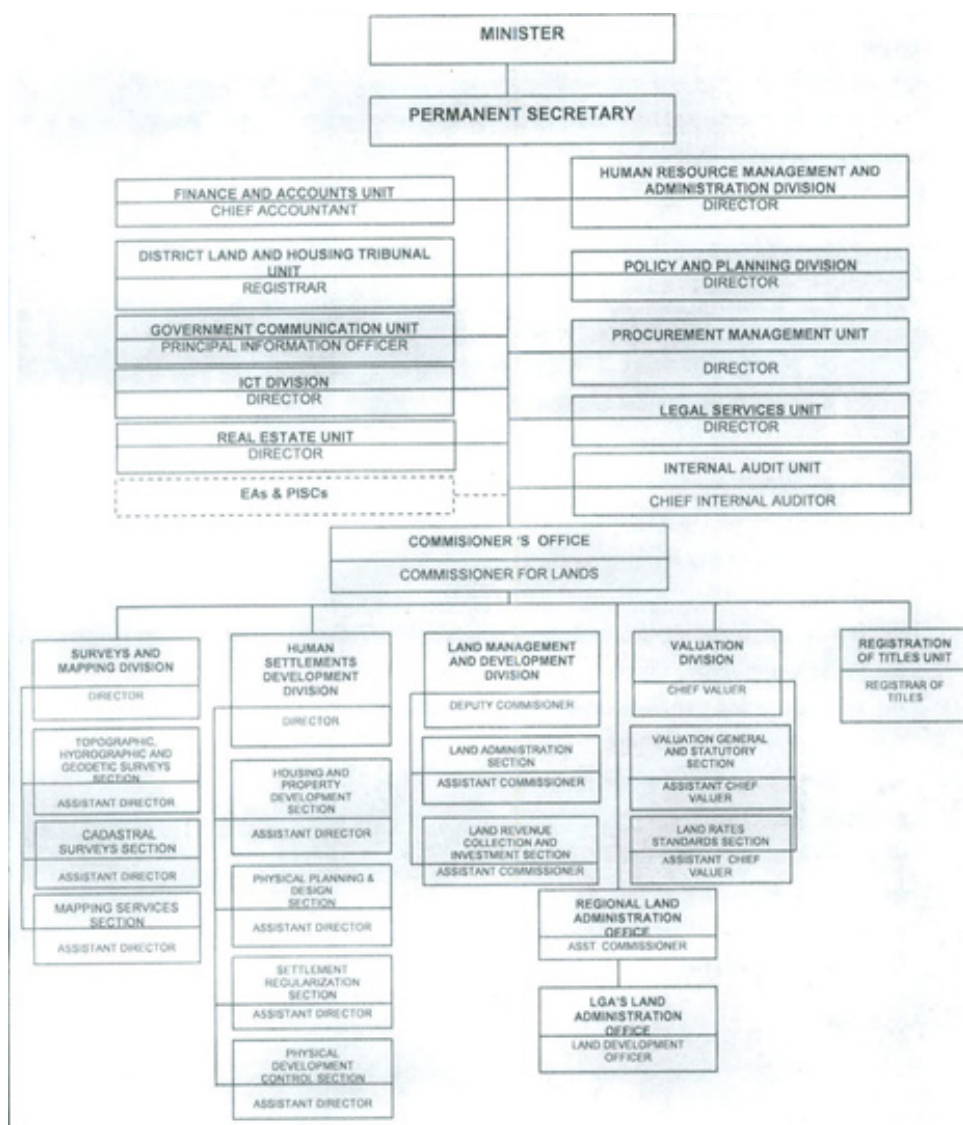
URT. (2012). Basic facts and figures on human settlements 2012 Tanzania Mainland. Dar es Salaam: National Bureau of Statistics, Ministry of Finance.

URT. (2018). Urban Planning (Space Standards) Regulations. Dar es Salaam: Government Printers.

Wakuru Magigi and B.B.K. Majani. (2006). Community involvement in land regularization for informal settlements in Tanzania: A strategy for enhancing security of tenure in residential neighborhoods, Habitat International, Volume 30, Issue 4, 2006, Pages 1066-1081.

Wolff, M. S., Kuch, A., & Chipman, J. K. (2018). Urban governance in Dar es salaam: actors, processes and ownership documentation. Working paper reference number C-40412-TZA-1.

7. Annex



Annex 1. The approved functions and organization structure of MLHHS as approved by the president of URT on 29 January 2022.

2

Just access to land for affordable housing in Tanzania

By Felician Komu



1. Introduction

Just access to land is an important component of the right to adequate housing. The land, its planning, and the constructions on it, are crucial components that determine the supply of housing and, subsequently, social wellbeing (World Bank 2015). Nevertheless, the fact that a household owns a piece of land does not mean that it has access to quality housing. There are a variety of reasons for this, but most important is the limited access to finance (see Tum-sifu Jonas Nnkya in this edition). This essay analyzes the dynamics of land ownership and housing quality in Tanzania, with a focus on the city of Dar es Salaam, and their implications for the 'just city' concept. It seeks to explain

(i) how households and communities obtain access to land for housing in ur-

ban areas, in both formal and informal arrangements, (ii) the extent to which their rights and dignity are addressed, and (iii) whether they are fairly treated in the process. It seeks to further establish the ways in which land and housing delivery in Dar es Salaam are contributing to inequality and whether it can be reversed.

In the final analysis, short- and long-term intervention measures are proposed towards addressing the challenges identified.

2. Urban land use planning in Dar es Salaam

Dar es Salaam is the fifth largest city in Africa with an estimated population

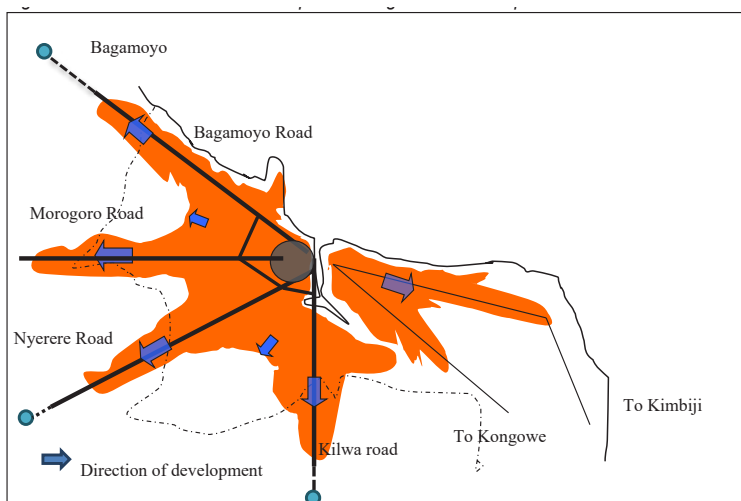


Figure 1. Dar es Salaam Land Use Developments (Source: Prepared by the 2016-2036 Dar es Salaam City Master Plan Consortium)

of 5.3 million which is approximately 30 percent of the country's 32-million urban population. The annual urban growth is 5.2 percent (Gardner, Lockwood and Pienaar 2020). The increase in population is attributed to rural-urban migration and urban expansion that has over the years accelerated the establishment of new settlements in the peri-urban areas of the city, mostly to the south (e.g. Pugu and Kigamboni), the west (e.g. Kimara and Kibamba) and to the north towards Bagamoyo (e.g. Bunju, Mwabepande, and Mbweni) (Oates, Gillard, et al., 2020). Some newcomers to the city have settled in unoccupied reserve lands, such as open spaces and flood plains in the Msimbazi River Basin that runs through the center of the city. The government's capacity to implement land use plans for the orderly planning of the city has been low (Huang, et al. 2018). As a result, a large part of the city, estimated at 70 percent, is occupied by informal settlements that do not conform to land use plans (Nuhu and Kombe 2020).

The key features of the city are

- (i) its organic growth structure with developments taking place along major transport corridors away from the central business district (Figure 1),
- (ii) the segregated neighborhoods between the affluent

and poor households, and
(iii) the spatial density variations between owner-occupiers and tenants (Three City Land Nexus Research Team 2020).

Poor households and tenants are more likely to locate in dense settlements and closer to the central business district (CBD), while more affluent residents locate in sparse locations away from CBD. Another important feature of Dar es Salaam is the congestion within a 10-kilometer radius of CBD, vulnerability to floods, and a persistent problem of enforcing physical planning development conditions.

The urban planning system in Dar es Salaam is deeply entrenched in the concept of the master plan (Linda and Yang 2019). The gist of the city plan is to ensure all areas within the city's boundary are planned including areas already with housing that was developed without an approved land use plan and in effect to formalize informal settlements. Formalization is performed either by incorporating rural areas into the urban land use plans or through regularization of informal settlements within the urban areas. The implementation of the Master Plan has, however, not been effective for several reasons (Huang, et al. 2018). One reason is the critical disconnect between national economic plans and work

plans of municipalities' economic development departments. Another disconnect exists between land use plans and sectoral plans that govern utilities, roads, water, and electricity, and this also hinders master plan implementation. Other reasons include "unregulated informal and unplanned self-built, owner-occupied housing" (Nyyssölä, Kelsall and Ndezi 2021:3). These deficiencies have exerted pressure on land use rights and housing in the city, between the original land settlers and the

new immigrants to urban areas who resort to setting up more informal settlements (Oates, Gillard, et al. 2020), and marginalization of poor households in getting access to land and housing.

The current Dar es Salaam City Master Plan 2016-2036 (DCMP) envisages a compact city by setting up five satellite centers, introduction of 23 new urban sub-centers and adoption of greenery as new urban feature (Figure 2). There are at least four key areas in

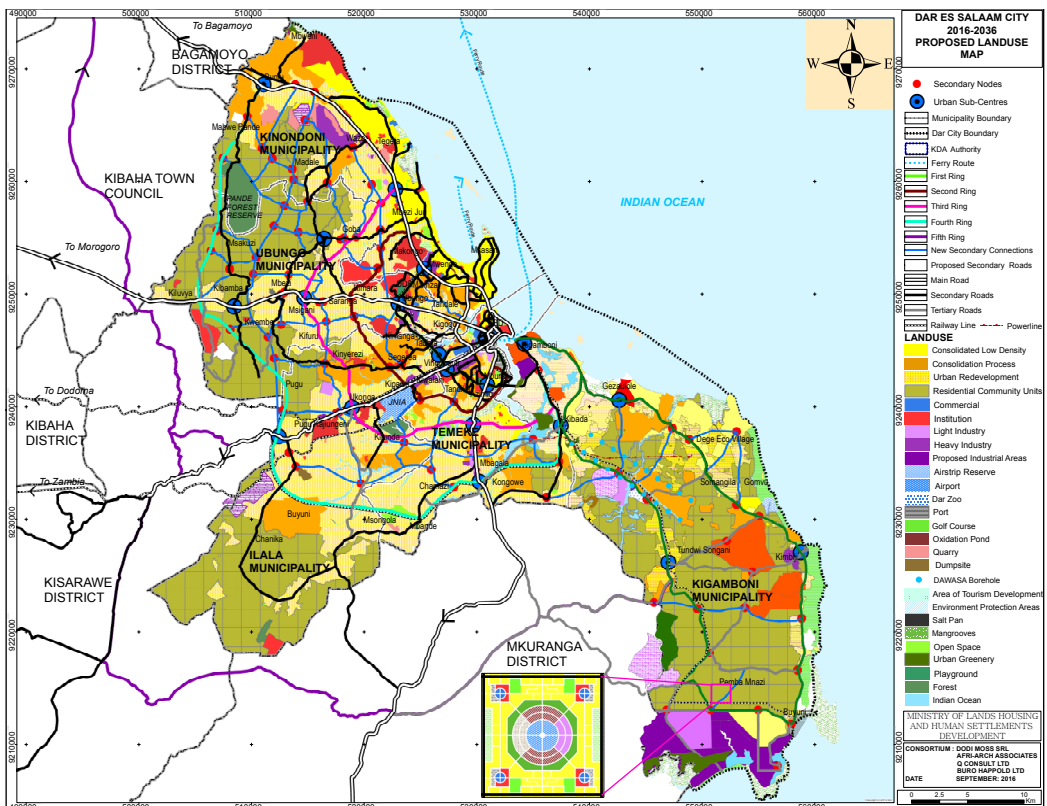


Figure 2 Current Dar es Salaam City Master Plan 2016-2036 (DCMP)

the DCMP that appear to address 'just city' matters for Dar es Salaam.

These are:

- Addressing infill and densification of existing planned areas to optimize utilization of existing infrastructural facilities and social services;
- Regularization of the informal settlements, to include consolidation in the formal settlements with the aim of improving and capturing land values in prime, formal areas;
- Transformation of basic roads from radial pattern to concentric patterns and introduction of two major ring roads that is hoped will stimulate extensive expansion of the city; and
- Setting up several sub-urban centers as development magnets within the city (Figure 2).

If implemented, Dar es Salaam city planners hope a more intensive use of land will be achieved, which may in the long run balance housing demand and supply, promote waste management facilities, and improve infrastructure that may lead to better housing.

3. Urban land access and land use rights

Urban land access is governed by a series of land use laws and rights in the Tanzanian constitution and subsequent regulations. Land use rights—which refer to the uninterrupted rights by an individual or group of individuals to occupy, use, and make earnings from the land (United Republic of Tanzania 1999)—are protected by the Land Act No. 4 of 1999, the Urban Planning Act No. 7 of 2007, and subsequent regulations made under these. In the planned areas of the city, land use rights are secured by a land ownership certificates or land titles, which can be granted in three multiples of 33 years with a maximum granted term of 99 years.

The Land Act No 4 of 1999 however, recognizes the existence of the informal land holding system, ironically, the customary right of occupancy. Land ownership in unplanned areas is deemed by the law to be under customary tenures and, since customary tenures are based on traditions that may not be found in the cosmopolitan contexts of the urban settlement, a quasi-customary mode, or informal tenure, is presumed by the law. Through upgrading schemes in cities like Dar es Salaam, Mwanza, and Mbeya, landowners in unplanned areas have been granted temporary rights to land in the form of 'residen-

tial licenses'. Residential licenses were introduced in 2004 as a fast-tracking measure (Tenga and Mramba 2014). This is the smallest category of land ownership with only 220,000 issued as of 2021 in Dar es Salaam, usually for a term of 5 years that can be renewed.

Land rights in urban areas are administered through a well-defined hierarchical system that recognizes formal and informal ownership rights as shown in Figure 3 further explained below.

Urban land tenure is split between formal and informal systems. Formal tenure is held by only a small fraction (23%) of urban landowners (Wolff, Kuch and Chipman 2018), while the majority

(77%) who own land in urban areas occupy it on informal arrangements. Some of this land is already declared to be a planning area, but considered informal because it has not yet been surveyed and titled. Other land is informal because it is in peri-urban areas that are characteristically village land held under customary norms (Rasmussen 2013)¹.

There are several reasons to explain why such a large majority occupy land informally. Foremost is the rapid urbanization, currently averaging at 5.2% per annum for the city of Dar es Salaam, against capacity deficits of urban planning authorities and low infrastructure investments (Worrall, et al. 2017).

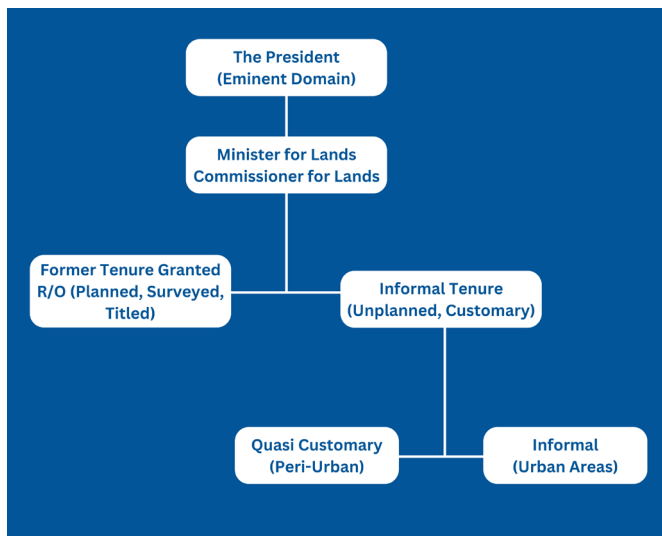


Figure 2. Institutional Setup - Land Tenure Urban Tanzania
(Source: Own Illustration)

¹In 2003, the Government of Tanzania entered in partnership with Hernando de Soto's Peruvian Institute of Liberal Democracy (ILD) with financial facilitation from Government of Norway that set up the Property and Business Formalization Programme (in Swahili MKURIBITA)

It is also attributed to the failure of the formal sector to provide land for housing new immigrants. Within the old urban areas, gentrification processes that have taken place, accelerating intensification of land uses, exerting pressure on existing infrastructure, and

pushing low income households to less attractive neighborhoods (John, et al. 2020). Benefits enjoyed by a landowner in a formal area are ideally better compared to those of a landowner in informal area as summed up in Table 1

| Issue | Formal Context | Informal Context |
|--------------------|--|---|
| Use Conditions | Classified and defined to a group and use class (Urban Planning Act), Protection against non-complementary uses and nuisance | Undefined, may be negatively impacted by externalities from neighbors |
| | Sufficiently adequate | Potential overcrowding |
| Planning Standards | Defined setback (unoccupied open area); densities and materials specification; quality standards | Undefined, congested |
| | | Self-designed, self-built, largely local and inferior materials |
| | Definite construction time period (36 months as per Urban Planning (Building) Regulation S.17 (1-3) of 2018) | Incremental, over a long time |
| Security of Tenure | Definite, clear land ownership (Right of Occupancy for 33, 66, or 99 years) | Not definite, absence of title (may have residence license — temporary up to 5 years) |
| Collaterality | Long-term loans with commercial banks, financial institution | Not readily accepted as collateral |
| | Surety and similar guarantees | Few mortgages limited to microfinance or saving groups (SAC-COS, Coops) |

| Issue | Formal Context | Informal Context |
|----------------|--|---|
| Infrastructure | Defined and mandatory connections to water, electricity and sewer | Undefined, poorly serviced |
| Quality | Defined standards, sizes, and levels of services in buildings | Undefined, largely on household's income capability |
| Marketability | Active land markets | Not transparent |
| Expropriation | Limited opportunities for re-acquisition | Easy expropriation — either due to urban expansion or other public interest |
| Adjudication | Availability of judicial systems to resolve land ownership and land use disputes | Arbitration possible with local (Mtaa) leaders but often can be prejudiced against a party that is not ordinarily resident in the area. |

Source: Own illustration; from various sources

3.1 Dynamics of access to formal land

In principle, access to urban land takes place in three ways—by a grant from the respective urban planning authority (UPA), direct purchase, or through inheritance. Each of these modes has its own procedures and challenges. A grant of land is made for urban land in the formal tenure system. Under this mode, the Minister of Lands will have declared an area to be a planning area. Such an area is subsequently placed

under jurisdiction of a UPA, which arranges acquisition of the land, compensating original landowners for the land and crops. Land use planning is carried out before the acquisition while cadastre surveying is done after compensation payments based on the plan to be followed with allocation at a fee. The original owners of the land would normally be considered in the allocation processes and granted a land title to that plot of land allocated. Each allocation is subsequently registered by the Registrar of Titles and granted a certifi-

cate of land title for a term that should not exceed 99 years. Where the original term is less than 99 years, it is possible to seek renewal not to exceed 99 years².

A successful applicant for a grant of land would be required to pay fees that include a premium, which is a percentage of assessed land value, a registration fee computed as a percentage of annual land rent, cadastral (survey) fees, the cost of preparing a certificate (a sum), deed plan fee (sum) and a stamp duty³. Conversely, a buyer of land in informal settlement who wishes to register the land, pays similar fees in addition to the purchase price. Land access by grant lost its prominence with the growing gaps between demand and supply of surveyed plots in the last two decades (2000-2020).

Access by direct purchase characterizes the current land markets in the country. Most land seekers access land through land market operations, both for the few plots placed on the market by urban authorities and from private individuals. Inspired by the pilot '20,000 Plots Delivery Project' of 2002-3, urban authorities borrow money from the Ministry of Lands, acquire and

produce surveyed plots. These plots are then advertised for sale to those in need. Unlike in the grant access process, prospective landowners pay to buy the land and the fees as outlined above for an allocation. The majority of households buy land from individuals in informal land markets characterized by the unregulated size of land parcels, which Nyakamwe, Lupala and Mchome (2022) observed has led to overcrowding and choked infrastructure. Access to land by inheritance is common in both planned and unplanned areas. In effect, inheritance of land and property rights is governed by Tanzanian inheritance law, the Probate and Administration of Estates Act Cap 352 of 1963, customary or tribal laws, or Islamic laws on succession. These laws have been blamed for being gender discriminatory favoring male administrators and heirs, excluding women from property and land inheritance (Ezer 2006; USAID 2016). There is limited information on how many of urban

landowners have accessed their lands through inheritance. Often, children of deceased parents jointly occupy the land (Box 1).

Box 1: Women have particular difficulties securing and retaining urban housing, a problem made more acute by a housing crisis. Laws and practices are discriminatory relating to inheritance, ownership, mortgage, and divorce (USAID 2016).

²Section 32 (1) & (2) of Land Act No. 4 of 1999

³Different municipalities have different charge rates. In 2021, typical cost for a grant of a plot of 400 square meters in the city would cost an applicant on average TZS 180,000 (US\$80) and in addition he will have to pay an annual rent of TZS 36,000 (\$16)

3.2 Securing property rights in informal land market

In the informal land markets there are two possible arrangements to secure the land. The first is a sales agreement. The land transfer may be executed by a subward (*Mtaa*)⁴ executive officer or by a legal counsel. Most land transactions for affordable land by a household in urban areas take place at respective local government office, often *Mtaa* government level. Each of the parties will have (a) witness(es) who attest by signing on a prepared sale agreement form, normally in Swahili. The *Mtaa* government will demand up to 10 per cent of the transactions as fees for registering the land⁵. Neighbors play an important role in recognizing land ownership and boundaries. Good relations with neighbors are thus crucial in informal arrangements. In case of a subsequent dispute, the purchaser may choose to appeal to the *Mtaa* leader who will present the matter to the subward lands committee. An aggrieved person may appeal to the ward lands and housing tribunal, or to a magistrate court if not satisfied with the *Mtaa* Lands Committee decision.

The second arrangement is where land purchase is executed by a registered attorney. This is an ideal arrangement as it assures security of tenure. Under this arrangement, it is still possible for the parties to bring in the subward leaders and neighbors as witnesses. The fees charged are normally higher than in the sales agreement executed by the *Mitaa* leaders⁶ and only a few land buyers use attorneys in land purchases.

Although sales agreements, whether certified by *Mitaa* leaders or an attorney, protects the purchasers' interest, they are usually not accepted in further transactions such as a pledge for a loan. More secure is the registration of the land through the district land officer. If the land was already titled⁷, the rights of the purchaser will be secured by processing a land ownership transfer through the respective district land officer.

It is possible for a land purchaser to apply for the titling of the purchased land through the local government (ward) to the respective urban planning authority. This procedure normally takes a long time, is tedious in terms of the differ-

⁴The Swahili word, '*mtaa*' literally means 'street', and is used for the Subward level of government. The plural form of *mtaa* is *mitaa*.

⁵Land legislation is quiet on this requirement but the 10 per cent charge is normal practice around the country

⁶With local leaders, there is more room for negotiating on the amounts to be remitted to the local government, which may not be the case with a legal counsel.

⁷It is possible to find titled land within unplanned area.

ent stages that the application must go through, and it is expensive⁸. In instances of regularization and formalization, the procedure for documenting land ownership rights is less complex, as it seeks to register land in the shortest time possible and at a low cost through adoption of appropriate technology.

3.3 Failed strategies in easing access to land for housing

The overriding policy objective has been 'home ownership' which translates to easing access to land. It is expected that individual households are able to create their own housing. The other objective was to improve housing quality in urban areas. During the last 60 years, there were at least five strategic interventions (programs or projects) that addressed access to land for housing.

The earliest two programs focused more on housing quality than housing access. These were the Slum Clearance Schemes (SCS) of 1962-1972, which sought to rid urban areas of derelict housing units. The SCS did not have significant impact on the housing stock size. To the contrary, the SCS impoverished the poor further, a majority of whom were living in the cleared slums (Gulyani and Debomy 2002). This was followed by the Squatter Upgrading

Scheme (SUS) 1972-76, which sought to improve housing areas through infrastructure provision and registration of house owners. Unlike the SCS, fewer households were displaced, which could be argued as being a positive move. Nevertheless, the scheme was not sustainable. Instead, it led to further expansion, consolidation and emergence of new unplanned settlement, while the infrastructure provided was left to deteriorate and some of the widened footpaths in the upgraded areas were later sold as building plots, further congesting the upgraded areas (Kironde 2015). The third program, which ran parallel with the Squatter Upgrading Scheme, focused on new urban areas, aiming to produce serviced and surveyed plots. This was the National Sites and Service Project (NSSP) implemented during 1976–1984. With a clear target population, it was more effective in providing access to land for a larger population than the previous two schemes (SCS and SUS).

In the implementation, however, the NSSP lacked foresight on the important land market dynamics which favor the rich over the poor. Kironde (1991:29) made an interesting remark that the NSSP's small plots meant for the poor in Sinza, Dar es Salaam, had been "hijacked" by the rich. There is evidence

⁸An individual will need to seek for planning consent, organize land use planning of the land if there is no urban plan scheme, organize cadaster and titling.

to show in all NSSP project areas, the initially planned housing areas for the low-income households were subsequently sold by the original beneficiaries of the land allocation (Kironde 1991). It is unquestionable that most of the current homeowners in NSSP project areas are middle- and high-income households who bought the land from poor beneficiary groups. This has been the experience, not only with the NSSP, but also with other subsequent schemes (Box 2 and 3) (Regina, Magina and Kemwita 2019). NSSP projections had been to produce 19,000 plots between 1977 and 1981, but due to several factors, including red tape, only 30% of these were allocated by 1981 (Banyikwa 1989).

It is interesting to note that a housing finance scheme which was in place alongside the National Sites and Service Projects also failed for similar reasons (see also Tumsifu Jonas Nnkya in this edition). The now-defunct Tanzania Housing Bank (THB) mobilized savings among its prospective borrowers, both in urban and rural areas for housing development. To qualify for a construction loan, a prospecting homeowner would be required to have a

savings account with the THB, a piece of land⁹, and the ability to contribute at least 5 percent of the cost of the house to be built either in cash, labor, or building materials. Apart from the loan, THB offered technical assistance during construction (Yona 1979). THB performance in terms of mobilizing local savings and loans was considered significant in the first five years of its existence (1973-1978), but with high rate of defaulters, the Bank failed, was officially declared bankrupt and liquidated in 1995

Box 2 "...The government started the process of allocating free surveyed plots in 2011 to at least 1,004 Dar es Salaam victims, whose houses were flooded...but the relocates sold off and returned to Msimbazi..." (The Citizen 2016).

Box 3 "...Even the small proportion of low-income families who did manage to access a plot have mostly chosen to sell their land for profit and have since returned to the informal settlements and hazardous settings from which they were relocated in the first place..." (Oates, Gillard, et al., Secure and equal access to land for all: Lessons on land governance and climate resilience from Dar es Salaam, Tanzania. 2020)

(Kironde, et al. 2003).

These early strategies were characterized by a top-down approach with little participation of households and

communities. Ultimately, the government failed to produce enough plots to meet the demand. As a result, informal housing construction expanded on unplanned land in Dar es Salaam.

⁹A proof of ownership was by attestation by local leaders or certificate of land title.

The fourth strategy was the 20,000 Plot Delivery Project—a pilot project in Dar es Salaam funded with a loan from the Ministry of Finance to the Ministry of Lands (Oates, Gillard, et al., Secure and equal access to land for all: Lessons on land governance and climate resilience from Dar es Salaam, Tanzania. 2020). The plan was for the government to acquire land in peri-urban areas, prepare land use plans, survey and advertise for the sale of plots, and allocate the plots through an application process. Owners of subdivided land were eligible for at least one of the plots created from their land. A total of 40,000 plots were delivered in the pilot project in Dar es Salaam by 2010, and an additional 18,590 were delivered in towns outside of Dar es Salaam. The plot sizes ranged from 700 to 1,200 square meters (Lusugga-Kironde 2015). It was lauded as one of excellent innovations ever undertaken by the Ministry of Lands and Human Settlement Development with a view of easing the chronic shortage of plots in the city of Dar es Salaam and slowing down growth of unplanned areas, control land speculation as well as combating corruption in land sector (Singano 2016). The project was replicated in several upcountry towns.

Notwithstanding these achievements, the project has been criticized by a number of researchers.

An evaluation of the criticisms indicates critics were over-optimistic about the project outcomes. The number of plots delivered was considered too little to alleviate the critical shortage of surveyed urban plots (Oates, Gillard, et al., 2020). In the context of project beneficiaries, the critics contend that the project increased poverty among those whose land was acquired, excluded low-income households, and generally contributed towards the growing problem of social polarization (Lusugga-Kironde 2015; Oates, et al. 2020). Critics also argue project sites in Dar es Salaam—including Bunju and Mbweni, to the north of the city, and Toangoma to the south are now popular middle-income to high-end housing areas. Additionally, the large plot sizes have encouraged proliferation of non-housing developments mainly private schools and social halls. The government through the Ministry of Lands has also been annoyed by the implementation of the project wary about land speculation by those who were allocated land and who had not developed it for over twenty years (Box 4).

Box 4. “The Ministry of Lands, Housing and Settlement development has issued a 60-day ultimatum for owners of the undeveloped plots in the city to initiate construction project. If they fail to do so, they would risk ownership as the titles will be revoked. The PS, in her statement dated Tuesday June 5, said the plots in question are totaling to 40,000 that were sold to private individuals, institutions and companies between 2002 and 2008.” (Citizen 2018)

While most of the criticisms may seem to be correct, there are important lessons learnt from the implementation of the 20,000 Plots Project. For the first time, it became evident there was capacity within the government to plan, survey and title large number of plots of land within a given time frame. Thus, with a pre-financing arrangement and determination, local authorities are able to positively increase supply of surveyed plots and address the thorny problem of informal land development.

The fifth program towards easing access to land was the “Comprehensive Urban Land Property Register for Economic Empowerment of Residents in Unplanned Settlements in Dar es Salaam Project”, in short, the Residential License Project (RLP). The RLP was introduced as a fast-tracking procedure to recognize land rights owned by households under informal tenure in urban areas through regularization provisions of the Land Act No. 4 of 1999 (sections 56-60). The RLP grants temporary rights for a 5-year renewable term. Residential licenses are inferior to the ‘Certificate of Title’ (‘Right of Occupancy’). It was envisaged that RLP holders would at some time in future undergo the full process of upgrading to a ‘Certificate of Title’. Under the RLP, an area would be mapped

through satellite images and individual plots of land and housing were adjudicated and registered. The RLP was implemented in two phases, 2004-2006 and 2007-2015 (Wolff, Kuch and Chipman 2018). During the first phase of the RLP mapping outpaced license granting—220,000 properties were mapped, but only 61,000 owners were identified and issued with residential license by 2007. The cost of obtaining a residential license in 2007 was set at TZS 5,000 (\$2) per plot. By the end of the second phase, in 2015, a total of 760,092 residential licenses had been granted throughout the country, out of which 16,138 were in Dar es Salaam (Kusiluka and Chiwambo 2019).

The six and a more pragmatic and promising program is the Program for Planning, Surveying and Titling of Land in Tanzania (PSTL). Unlike previous programs, the 10-year PSTL engaged private sector land-based professionals to work with local communities and municipalities¹⁰ to carry out land titling processes. In cooperation with municipal councils, registered private land use planning and surveying firms are required to identify and acquire land for the purpose of producing titled urban plots (Nuhu and Kombe 2020). A total of 26 land use planning firms and 43 surveying

¹⁰Dar es Salaam is actually a regional government with five separate municipalities: Ilala, Kinondoni Temeke, Kigamboni, and Ubungo.

firms had been registered for the city of Dar es Salaam by December 2021.

The number of general and detailed land use planning schemes dramatically increased, by an average of 120,000 per year, across the nation between 2015 and 2021. Between 2013 and 2021, a total of 1,638,062 plots had been identified and were at different stages of the titling process. Out of these 643,685 had undergone the entire procedures. The average annual plot production over 8 years period was 204,000 compared with 7,500 by the other schemes. The PSTL also enhanced revenues from the land registration (Box 5).

However, the PSTL was faced with several challenges re-

Box 5. "According to the Director of Human Settlements Development in the Ministry of Lands, if a landowner paid TZS 120,000 for the surveying and registration of one plot, the 643,685 plots completed would fetch the government a colossal sum of TZS 77.24 billion." (Kayera 2021)

lated to (i) the low rate of landowners not completing procedures to obtain their land titles through the regularization schemes; (ii) hesitation by landowners in informal settlements to have their land lots planned and surveyed; and (iii) landowners who have not bothered to collect their Certificates of Titles (Nuhu and Kombe, 2021). For

example, by December 2020, a total of 20,752 Certificates of Titles were yet to be collected by the respective landowners in Dar es Salaam. This had already been echoed by the Minister of Lands in a national speech on 2nd September 2018 (Daily News 2018). Deducing from local press reports and interviews, the reasons for the hesitation revolve around what landowners perceive as high charges in land title processing vis a vis premium payment, building permits, taxes, and land rents. It is also possible that landowners are not cognizant of the benefits associated with registration of their lands. Other challenges with the implemen-

tation of the PSTL scheme are underperformance and private firms over-charging landowners. Consequently, the government intervened by

introducing a maximum charge for the entire process¹¹, removed three firms from the list of service providers for malpractice, suspended nine, and issued strong warnings to 43, while 15 were arraigned for possible court action (Ministry of Lands 2021). The only possible explanation for the unexpected underperformance could be

¹¹Firms were charging for one plot (planning, surveying and beacon planting, titling) between TZS 250,000 and 350,000. In a public announcement on 17th August 2021 (reported by a daily 'Habari leo'), the Minister for Lands set the upper limit to TZS 150,000 and at the same time announcing an agreement had been reached by the NMB Bank Plc to the effect that the Bank was willing to advance landowners up to TZS 130,000 to pay for the titling process of their lands.

- (i) Inadequate due diligence in the recruitment process resulting from the swiftness required to get the PSTL started and
- (ii) Voracity of the firms in pursuit of profit maximization and
- (iii) Lack of fee charge guidelines at the beginning of the PSTL.

3.4 Public land access and management

While private access to land for housing is vital for the welfare of the society, the availability of public land is equally crucial to complement housing areas. Local governments require land for recreation and social housing provision. In contrast with central government establishments and public corporations, local authorities in Dar es Salaam do not have as much land as would have motivated them to develop housing. This is not surprising since during the early years of independence in Tanzania, the set up was highly centralized. As a result, central government bodies had been granted large land parcels for employer housing estate and other needs (Materu 1994). Some of the lands owned by public bodies in the cities and towns have stayed undeveloped for a long time, some have been abandoned and are

subject of squatting. Examples in Dar es Salaam include vast lands owned by the defunct Tanganyika Packers at Mlongazila, Ubungo Municipality, and at Kawe, in Kinondoni Municipality. Some of the Tanganyika Packers land has been repossessed by the government, such as the present site for Mlongazila Referral Hospital and the 711 NHC Satellite City Project in Kawe.

The lack of local government lands is a challenge to their role of providing a green city, parks for recreation, and emergency evacuation site for safety during flooding or fire incidences. Generally, communal space in urban areas is disregarded. Land banking which is an important tool used in ensuring there is land for large investment in the country has not been used for urban area.

4. Persistent Issues in Access to Land and Housing

The above analysis shows that, although the land laws in Tanzania broadly address social justice for all groups, implementation strategies have advanced unworkable solutions that in turn exacerbated unequal access to land. Key messages from the analysis are that inattention to land speculation and low capacity to implement policies has constrained public policy on land access for housing.

Inattention to land speculation issue has limited the extent to which 'invisible' and 'voiceless' households access land and housing. This also has effects on the availability of public land. National urban policies on inclusiveness in urban planning and development have not been enforced. The earlier policies and schemes during the socialist era (1962-1984) did not recognize informality of any sort in urban areas. For example, the Slum Clearance Program of 1962-1972, and the subsequent Squatter Upgrading Scheme (SUP), and the National Sites and Service Projects (NSSP), opted for redevelopment of the areas with limited focus on the outcomes for the displaced households. They adopted a top-down approach which overlooked the aspirations of the households impacted by the resulting actions. These schemes failed on three accounts. First, they were ambitious in that they attempted to resolve all housing related challenges for all income groups within a limited period of time and with minimal involvement of the communities. In the second count they proved to be expensive as they relied largely on government funding. Finally, they failed as they ended having insignificant impact on the housing problem (Gulyani and Debomy 2002).

In tandem with the above observations, it can be argued that past efforts failed due to low capacity in the implementation of policies that would have

addressed urban sprawl, displacement of population and improving fairness in access to land. As a result, the housing problem has remained unresolved. It is however true that Government efforts in these directions were laudable but were constrained by rapid urbanization, high levels of unemployment in urban areas; and they have met these steep challenges with inadequate poverty reduction measures and low investment in infrastructure. Regularization and formalization approaches advocated by the Land Act No. 4 of 1999 and National Land Policy of 1993 have not adequately addressed the land and housing problem. In the implementation, piecemeal actions have led to more densification, and degrading urban environment (Izar and Jean-Baptiste 2019).

5. Conclusion

Land access for housing in Tanzania is still faced with three basic problems

- (1) Undersupply of land for housing to meet the fast-growing urban population
- (2) Persistent increase of informal settlements and low-income housing areas and
- (3) Poor condition of infrastructure. In urban areas, access to land is ei-

ther by allocation and purchase through the Ministry of Lands office, direct from private landowners, or through inheritance.

Poor households and those emigrating to urban areas settle on government reserve land, like open space and hazardous land, outside the formal planning regulations.

gies with insights into the predictable competitiveness among actors in the land and housing market is to blame for inequalities in access. In summary, easing access to land or granting free land does not by itself contribute to improving access to housing for low-income households who cannot afford high construction cost. Just access to land for housing is only feasible with some form of financial support to the low-income households.

However, not only poor people settle in such unplanned and hazard lands. Demand for land has surpassed supply because of high urbanization rates (between 3% and 5% per year), low investment in production of surveyed plots, and increasing household incomes. Rich and poor compete for access to land both in formal and informal areas. Landowners in formal areas enjoy more benefits—especially in terms of infrastructure and legal land tenure security—than those in informal areas. Additional benefits of formal land access include stable collateral, quality neighborhood, less risk from being expropriated, and well-defined adjudication in case of disputes. Government measures in the form of land policy, laws, and regulations over the last 60 years have moved toward maintaining fair and just access to land by all groups and individuals. However, the lack of implementation strate-

6. References

Alananga, S, and A, Mwasumbi. 2019. "Land and Housing Transactions in Tanzania: An Evaluation of Title Risk Vulnerabilities in Kinondoni Municipality Dar es Salaam." *Urban Forum* 30: 261–287. Accessed November 28, 2021.

Andreasen, M H, and J Agergaard. 2016. "Residential Mobility and Homeownership in Dar es Salaam." *Population and Development Review* 42 (1): 95-110. Accessed October 30, 2021. <https://www.jstor.org/stable/44015616>.

Banyikwa, W.F. 1989. "Effects of Insensitivity in Planning Land for Urban Development in Tanzania - the Case of Dar es Salaam." *Journal of Eastern African Research & Development* (Gideon Were Publications) 19: 83-94.

Bank of Tanzania. 2020. "Tanzania Mortgage Market Update."

Cadstedt, Jenny. 2006. Influence and Invisibility- Tenants in Housing Provision in Mwanza Tanzania. PhD Thesis, Human Geography, Stockholm University, Stockholm: Stockholm University. <https://www.diva-portal.org/smash/get/diva2:189161/FULLTEXT01.pdf>.

Controller and Auditor General (CAG). 2018. Performance Audit Report on the Management of Plots Allocation. Audit Report, Dodoma: National Audit Office.

CAHF. 2019. Understanding and Quantifying Rental Markets in Africa - Focus Note on Tanzania. Research, Johannesburg: Centre for Affordable Housing Finance in Africa. Accessed November 29, 2021. https://housingfinanceafrica.org/app/uploads/Tanzania_Rental_Focus-note-22.08.18.pdf.

Cities Alliance; UN-Habitat. 2010. Citywide Action Plan for Upgrading Unplanned and Unserved Settlements in Dar Es Salaam. Research, Nairobi: UN-Habitat.

Citizen, The. 2018. "Land Ministry Issues 60 Days Ultimatum for Undeveloped Plots in Dar es Salaam." *Daily. Dar Es Salaam: IPP Media*, June 7.

Citizen, The. 2016. "Flood victim gets surveyed plot." *The Citizen*, February 6. Accessed November 28, 2021. <https://www.thecitizen.co.tz/tanzania/news/flood-victim-gets-surveyed-plot-2546722>.

Daily News. 2018. "Minister cautions landowners of uncollected land titles." *Daily News Newspaper*, September 2: 1.

Ezer, Tamar. 2006. "Inheritance Law in Tanzania: The Impoverishment of Widows and Daughters." *Journal of Gender and the Law* (University of Miami) 601-666.

Gardner, D, K Lockwood, and J Pienaar. 2020. Tanzania' Housing Construction and Housing Rental Activities: Housing Economic Value Chain and Housing Cost Benchmarking Analysis. Research, Centre for Affordable Housing Finance Africa.

Gulyani, S, and S Debomy. 2002. Upgrading of low-income settlements-Country Assessment Report- Tanzania. Assessment, Washington DC: The World Bank.

Harvey, David. 2009. Social Justice and the City. Vol. Revised Edition. New York: University of Georgia Press.

Huang, Chyi-Yun, Ally Namangaya, MaryGrace Lugakingira, and Isabel Cantada. 2018. Translating Plans to Development-Impact and Effectiveness of Urban Planning in Tanzania Secondary Cities. Research, Washington D.C: World Bank.

Izar, P., & Limbumba, T. M. (2021). A matter of value: Assessing the scope and effects of Tanzania's National Housing Corporation's development strategy on Dar es Salaam's urban neighborhoods. *International*

Journal of Urban Sciences, 25(1), 195–217 <https://www.tandfonline.com/doi/10.1080/12265934.2020.1810105?journalCode=rjus20s/10.1080/12265934.2020.1810105?journalCode=rjus20>

John, Samwel; McGranahan, Gordon; Mkanga, Mwanakombo; Ndezi, Tim; Stephen, Stella and Tacoli, Cecilia. 2020. "The churn of the land nexus and contrasting gentrification processes in Dar es Salaam and Mwanza Tanzania." *Environment and Urbanization* (International Institute for Environment and Development (IIED).) 32 (2): 429–446.

Kayera, Martin. 2021. Habari Leo, Daily Newspaper, April 21.

Kessi, Alphonse. 2010. "Enhancing Security of Land Tenure in Informal Settlements: The Case of WAT-Human Settlements Trust in Hanna Nassif Settlement, Dar es Salaam, Tanzania." *Utafiti* 1: 87-104.

Kibassa, D, and R Shemdoe. 2016. "Land Cover Change in Urban Morphological Types of Dar es Salaam and Its Implication for Green Structures and Ecosystem Services." *Modern Environmental Science and Engineering* (Academic Stars Publishing) 2 (3): 171-186.

Kironde, Lussuga. 2015. "Good Governance, Efficiency and the Provision of

Planned Land for Ordely Development in African Cities: The Case of 20,000 Planned Land Plots Project in Dar es Salaam, Tanzania." *Current Urban Studies* 3: 348-367. Accessed October 30, 2021. doi:7. <http://dx.doi.org/10.4236/cus.2015.34028>.

Kironde, Lussuga. 2019. "Community-Based Settlements Regularization: Lessons for Scaling up from Makongo Juu Informal Settlement, Dar es Salaam, Tanzania." *Current Urban Studies* 7 (2): 170-192.

Kironde, Lussuga, Robert B Mabele, Hermes Mutagwaba, United Nations Human Settlements Programme., Tanzania. Wizara ya Ardhi na Maendeleo ya Makazi., and Tanzania. Wizara ya Fedha. 2003. Re-establishing effective housing finance mechanisms in Tanzania: the potentials and the bottlenecks. Nairobi: UN-Habitat & URT.

Kironde, Lussuga. 2006. "The regulatory framework, unplanned development and urban poverty: Finding from Dar es Salaam." *Land Use Policy* 23 (4): 460-472.

Kironde, Lussuga. 1991. "Sites-and-Services in Tanzania - The Case of Sinza, Kijitonyama and Mikocheni Areas Dar es Salaam." *The Habitat International* (Pergamon Press) 15 (2): 27-38.

Kironde, Lussuga. 1995. "Access to land by the urban poor in Tanzania: Some Findings from Dar es Salaam." *Environment and Urbanization* 7 (1). Accessed November 15, 2021. <https://core.ac.uk/download/pdf/79425297.pdf>.

Kiwara, Lekamere. 2016. Urban Renewal Policy on Housing Condition in Dar es Salaam. MSc Thesis, Real Estate and Construction Management, Royal Institute of Technology, Stockholm: KTH. Accessed November 12, 2021. <https://www.diva-portal.org/smash/get/diva2:950657/FULLTEXT01.pdf>.

Kombe, J., W. 1994. "Housing the Urban Poor in Tanzania: Retrospects and Prospects." *Ekistics* 1 (366): 232-239. Accessed November 8, 2021.

Komu, Felician, and Sireena Ramparsad. 2020. Urban Rental Housing Market in Tanzania: The case of Dar es Salaam and Dodoma-Quantifying the rental market in Tanzania. Research - Centre for Affordable Housing Finance in Africa, Johannesburg: upcoming.

Kusiluka, Moses, and Dorice Chiwambo. 2019. "Acceptability of residential licenses as quasi-land ownership documents- evidence from Tanzania." *Land Use Policy* (Elsevier) 85 (C): 176-182. Accessed January 25, 2022. doi:10.1016/j.landusepol.2019.02.044.

- Linda, Peter and Yuzhen Yang. 2019.** "Urban planning - historical review of master plans and the way towards a sustainable city: Dar es Salaam, Tanzania." *Frontiers of Architectural Research* 8 (3): 359-37. Accessed January 25, 2022. doi:<https://doi.org/10.1016/j.foar.2019.01.008>.
- Lugoe, Furaha N. 2008.** Assessment of Main Urban Land Use Issues in Tanzania. AFTU1 on Tanzania Local Government Support Project, Washington DC: World Bank.
- Macatta, Muharram. 2017.** "High Housing Costs result in overcrowding." *The Guardian Tanzania*, July 3.
- Magina, F, A Kyessi, and W Kombe. 2020.** "Benefits and Burdens Accrued in Community Led Informal Settlement Regularization in Tanzania: The Case of Magengeni." Annual World Bank Conference on Land and Poverty, March 2020. Washington DC: World Bank. <https://sdg.iisd.org/events/land-and-poverty-conference-2020-institutions-for-equity-and-resilience/>.
- Materu, J. S. (1994).** Housing for low-income groups: Beyond the sites-and-services model in Tanzania., 61(366/367), 223-231. <http://www.jstor.org/stable/43623179>. 1994. "Housing for low-income groups: Beyond the sites-and-services model in Tanzania." *Ekistics* 223-231.
- Tanzania National Bureau of Statistics. 2019.** Household Budget Survey 2017/2018 - Key Indicators Report. Research, Dodoma: Government Press.
- Nuhu, S. 2019.** "Land Access Systems in Peri-urban areas in Tanzania: Perspectives from Actors." *International Journal of Urban Sustainable Development* 11 (2): 189-202.
- Nuhu, S, and W Kombe. 2021.** "Experiences of private firms in delivering land services in peri-urban areas of Tanzania." *International Planning Studies* (Routledge- Taylor and Francis) 26 (2): 101-116. Accessed January 30, 2022. doi:<https://doi.org/10.1080/13563475.2020.1752158>.
- Nuhu, Said, and Wilbard J Kombe. 2020.** "Experiences of private firms in delivering land in Peri-Urban areas, Dar es Salaam." *International Planning Studies* 1-17. Accessed November 10, 2021. doi:<https://doi.org/10.1080/13563475.2020.1752158>.
- Nyakamwe, A, J Lupala, and E Mchome. 2022.** "Influence of urban land markets on emerging city form: A case of Dodoma national capital city in Tanzania." *African Journal on Land Policy and Geospatial Sciences* 15 (1).
- Nyyssölä, Milla, Tim Kelsall, and Tim Ndezi. 2021.** Dar es Salaam: City Scoping Study. African Cities Research Con-

sortium, 3. https://www.african-cities.org/wp-content/uploads/2021/12/ACRC_Dar-es-Salaam_City-Scoping-Study.pdf.

Oates, L; Gillard, R; Sudmant, A; Gouldson, A. 2020. Secure and equal access to land for all: Lessons on land governance and climate resilience from Dar es Salaam, Tanzania. Working Papers, London and Washington, DC: Coalition for Urban Transitions. Accessed May 14, 2022. <http://newclimateeconomy.net/content/cities-working-papers>.

Panman, Alexandra, and Nancy Gracia. 2021. Making Room for Renters: Understanding and Supporting Rental Market in the Global South-Evidence from Dar es Salaam, Tanzania. Policy Research Working Paper 9579, World Bank. Accessed November 29, 2021. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/235901615576569696/making-room-for-renters-understanding-and-supporting-rental-markets-in-the-global-south-evidence-from-dar-es-salaam-tanzania>.

Rasmussen, M. 2013. "The Power of Informal Settlement- the Case of Dar es Salaam." *Planum - The Journal of Urbanism* 1 (23): 1-11.

Regina, John, Fredrick B Magina, and Emmanuel F Kemwita.

2019. "From Msimbazi River Valley to Mabwepande Settlement: The Resettlement Process and Its Challenges." *Current Urban Studies* 7 (3): 399-426.

Singano, Jabiri Musa. 2016. Development & Revocation of undeveloped plots- the Case of 20,000 Plots Project Dar es Salaam. Master Degree Dissertation, UMD 12 Report number: 969, Erasmus University, Rotterdam: Institute of Housing and Urban Studies.

Tenga, W.R., and S.J. Mramba. 2014. Theoretical Foundations of Land Law in Tanzania. Dar es Salaam: Law Africa Publishing (T) Limited. <https://www.worldcat.org/title/theoretical-foundations-of-land-law-in-tanzania/oclc/911058181>.

Three City Land Nexus Research Team. 2020. Investigating the Urban Land Nexus and Inclusive Urbanisation in Dar es Salaam, Mwanza, and Khar-toum. Research Report, Brighton, UK: Institute of Development Studies (IDS) and East African Research Fund (EARF).

UN-Habitat. 2010. A Policy Guide to Rental Housing in Developing Countries. Quick Policy Guide Series - Volume 1, Nairobi: UN-Habitat.

UN-Habitat. 2010. "Citywide Action Plan for Upgrading Unplanned and Un-serviced Settlements in Dar Es Salaam." *Cities without Slums*. Accessed Novem-

ber 6, 2021. <http://www.unhabitat.org/publications>.

UN-Habitat. 2010. InFormal Settlements and Finance in Dar es Salaam Tanzania. Research, Nairobi: UN-Habitat.

United Republic of Tanzania. 1999. Land Act No. 4.

Ministry of Lands, Housing and Human Settlement Development. 2021. Budget Speech for the Financial Year 2021/22. Dodoma: Government Press. <https://www.lands.go.tz/uploads/documents/en/1622482698-HO-TUBA%20%20YA%20WIZARA%20YA%20ARDHI%202021.22%20FINANCIAL-CHAPA%20DODOMA%20TEXT.pdf>.

Ministry of Lands, Housing and Human Settlement Development. 2021. Dar es Salaam Master Plan 2016-2036. Main Report, Dar es Salaam: Government of Tanzania, 181.

USAID. 2016. "Tanzania Land Tenure and Property Rights Profile." Research, Washington. https://www.land-links.org/wp-content/uploads/2016/09/USAID_Land_Tenure_Tanzania_Country_Profile.pdf.

Wolff, Stina, Amelia Kuch, and Joshua Chipman. 2018. Urban land

governance in Dar es Salaam: Actors, Processes and Ownership Documentation. Working paper-C-40412-TZA-1, International Centre of Growth. <https://www.theigc.org/wp-content/uploads/2018/02/Kuch-et-al-2018-Working-paper.pdf>.

World Bank. 2019. Implementation Completion and Results Report-Private Sector Competitiveness Project. Project Review, Washington DC: World Bank.

World Bank. 2015. Stocktaking of the housing sector in Sub-Saharan Africa- Challenges and Opportunities. Research Report No: AUS7243, Washington DC: The World Bank. <https://documents1.worldbank.org/curated/en/825101468204845483/pdf/Final-Report-SSA-Housing-Feb-11-2016.pdf>.

World Population Review. 2019. Dar Es Salaam Population 2019. Online Publication.

Worrall, L, S Colenbrander, I Palmer, F Makene, D Mushi, J Mwijage, M Martine, and N Godfrey. 2017. Better Urban Growth in Tanzania: A Preliminary Exploration of the Opportunities and Challenges. Working Paper, London and Washington, DC.: Coalition for Urban Transitions, London and Washington, DC. Accessed May 14, 2022. <http://newclimateeconomy.net/content/cities-working-papers>.

Yona, D A. 1979. "Savings and Credit for Low Cost Housing: The Experience of the Tanzania Housing Bank." *Savings and Development* 3 (1): 60-74. Accessed May 15, 2022. <http://www.jstor.org/stable/25829687>.

3

When housing is more than houses: implications of space-use intensity for housing policy in Tanzania

By Maria Carrizosa



Photo: Elisabeth Bollrich

1. Preface

Photo: Maria Carrisoza



Figure 1: Neema's room in Ubungo, Dar es Salaam

This is Neema's house in the Ubungo district of Dar es Salaam (Figure 1). Neema shares the room with a friend. The house has five other rented rooms. Neema makes samosas and other pastries, mixes peppered spices, and makes soaps, which she sells on the streets. Neema also uses the space outside of her room in the backyard to host weekly traditional ceremonies and dances from her tribe, in which the whole neighborhood gets involved. She receives some stipend for it.

This is a corner house and facing each street there are commercial activities. Neema's samosa shop is next to one selling fried chips. There is also a vegetable stall, a grocery shop, a cooking gas refill station, and a nail polishing shop (Figure 2).

On the other street there is a sports betting shop with some slot machines. Other tenants of the house use the shared outside space to raise chickens, make batiki (dyed cloth), recycle metal parts, and produce juice to sell.

Photos: Maria Carrisoza



Figure 2: Neema making spices next to stored metal (left), shops from tenants (center), sports betting stall (right)

Neema's house story is far from exceptional. The 2016 World Bank's Measuring Living Standards in Cities Survey, which is statistically representative of both formal and informal areas, revealed that 80% of Dar es Salaam's households live in one or two rooms (Panman, 2021:237). Evidence that I will present later estimates that 89.7% of the activities taking place in consolidated informal settlements in Dar es Salaam remain invisible to municipal governments, and yet they provide indispensable urban services, goods, and social protections that make life in the city possible. Now, if this is how the majority lives, it is fundamental to have a better understanding of these space-use dynamics. Housing policy is due for a more granular understanding, recognition, and support, of the realities of the majority.

2. Introduction

This essay is based on a previous research collaboration between FES and The New School on The Just City initiative, specifically the working paper: "Urban Informality and the Making of African Cities", published by the Friedrich-Ebert-Stiftung Kenya Office in 2022.

The paper has four main objectives: First, to portray the current theoretical notion of a continuum between informality and formality, as a more appro-

piate framing for Tanzanian policy. Second, to present and discuss evidence of space-use intensity in informal housing in Dar es Salaam. Third, to discuss insights on urban formalization from the experts of the Tanzanian Just City Platform Housing Working Group. Fourth and last, to advocate for an integrated approach to housing policy connecting housing with policies on employment, businesses, community services, and social protection.

3. The continuum approach to urban informality

Current thinking about urban informality disregards the strict binaries—formal versus informal, rich versus poor, North versus South—in favor of a differentiated approach that embraces the shades of grey in between, the linkages, the back-and-forth movements between formality and informality. The initial dualism of traditional development economics (Lewis, 1954; Harris & Todaro, 1970; Hart, 1972), that argued that industrialization and economic growth would shrink informality (i.e. unemployment) out of existence, is increasingly seen today as an outdated and inaccurate picture of our world (Jutting & Laiglesia, 2009). The shift in thinking has been gradual over the last fifty years. A very schematic overview of this process summarized in Figure 3 below and further elaborated in other reviews (Moser, 1994; Chen & Carré, 2020; Carrizosa, 2021).

Early advocates of a new thinking were structuralist urban theorists with Marxist undertones. On this view, informality is a by-product of advanced capitalism necessary to support its growth (Sassen, 1994). Other scholars argued that governments can informalize urban development to their advantage, what Roy (2009) calls “informality from above”. Another prominent view is the one championed by Herando de Soto, with a more neoliberal and entrepre-

neurial approach that promotes de-regularization, microcredit, and land titling (De Soto, 2000; IFC, 2017).

Some years later, Latin American development economists pushed thinking again towards new institutionalism, arguing that people often voluntarily choose to live and work informally, not because they are excluded from formality, but because informality is more convenient (Perry et al., 2007).

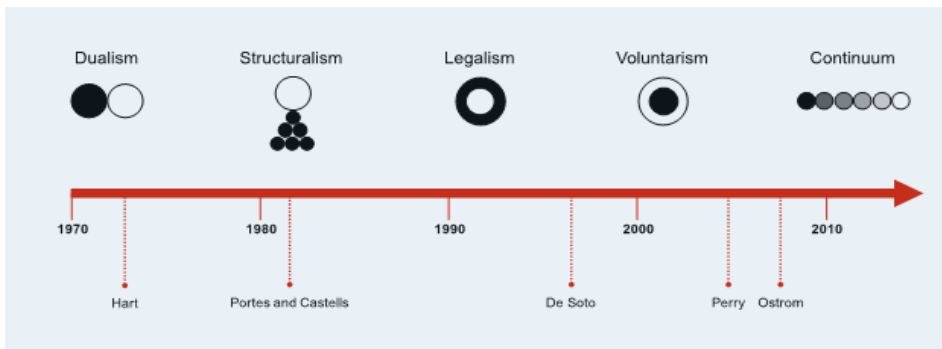


Figure 3: Schematic review of main schools of thought on urban informality (Carrizosa, 2021)

Each of these ideas brings forth different causal explanations for informality, with different and often contradicting policy prescriptions to combat it. So, the panorama of solutions offers complementary and even opposing approaches that coexist. Most often, policy instruments lag the theoretical advances and are more conservative as compared with the narratives. Across the world and throughout the ideological spectrum, prejudices about what a modern city should look like grossly contradict social justice principles. When it comes to urban informality,

what policymakers think, say, and do is usually contradictory.

Against this convoluted background, a promising new landscape is emerging—one that starts by embracing, rather than renouncing, complex systems, variegated circumstances, mixed statuses. Authors in this landscape talk about co-production (Joshi & Moore, 2004), continuum (Ostrom et al., 2006), grey zones (Yiftachel, 2009), linkages (Meagher, 2013), fractures or hinges (Simone, 2010), and constellations (Barry, 2015), to name a few terms.

This essay embraces the “continuum” term, following the work of Elinor Ostrom. The continuum approach dispels the prejudice that informality is unstructured, disorganized, and chaotic. It explains that such prejudice is “conceptually unsound, empirically weak, and has led to policy disasters” (Ostrom et al., 2006). Notably, Ostrom explains that forcing formalization onto informal systems often crowds out well-functioning arrangements. This means formalization is not always desired and informalization is not always a bad thing.

Policies that work are those that are not too far removed from the realities on the ground, but that deploy a “just right” reach of government. Good measures “tailor intervention to the capacity of the structure” (Ostrom et al, 2006:13), rather than offering blanket solutions that supposedly work everywhere because they worked somewhere. This new approach invites to think that informal practices that exist because they work on the ground, and because they do, they must be learned from. Labeling informality exclusively as a problem or disease blocks our understanding of what is really needed by policy and hinders our capacity to help these systems evolve and thrive. Ultimately, the continuum approach requires a more granular knowledge of informal practices, so that policies can be smarter by getting closer to realities.

The continuum approach becomes increasingly relevant as we come to grips with new statistical breakthroughs in international official measurements of informal employment that demonstrate that informality is majoritarian across the world. Datasets released by the International Labor Organization (ILO) reveal that informal employment represents 61.5% of the world’s employment and 85.8% of jobs in Africa (ILO, 2018). In terms of the built environment, experts concur that urban informality accounts for at least 60% to 80% of the existing urban fabric of developing countries (Chen et al., 2018). Tanzanian experts estimate that 70% of urban land is occupied by informal settlements (Komu, 2022) and that 98% of housing is self-built (Limbumba, 2022). Urban informality is the predominant mode of progressive city-making today.

Positive framings of informality in policy making are rather new. Only recently have governments adhered to supporting informality rather than to fighting it (ILO, 2015; Kiaga et al., 2020). And despite these new approaches, prejudices against urban informality abound within governments, academia, and in the streets. But despite its problems, informality makes cities function and raises people’s well-being. In fact, without informal contributions in the form of income (informal employment), housing (informal housing and informal settle-

ments or slums), and community services (informal care arrangements, informal water provision, informal waste recycling activities, and so on), people would be worse off. Informal service providers guarantee the flow of goods and services wherever formal conduits do not reach, and in this sense, informality helps cities function. Because African cities do function in a way that is not easily legible to urban managers and that is different from what planners assume and expect. For policy to be smarter at dealing with urban informality, more detailed knowledge of what happens in informal settlements is indispensable.

This essay shares and discusses the findings from qualitative empirical research carried out in Dar es Salaam, Kampala, and Dakar, documenting mixed-use within houses in informal settlements. Some conceptualize this topic as “home-based enterprises” (Tipple, 2014; Chen, 2014) or as “urban livelihoods” (Rakodi & Lloyd-Jones, 2002; Chen et al., 2016). I have called this “space-use intensity,” evoking a parallel with time-use research, and some innovative surveying techniques to document multitasking (Carrizosa, 2021). I will show, both visually and numerically, that residential spaces in consolidated informal settlements host an important amount of economic activities and community services in addition to their residential uses, to the point

that these houses should no longer be thought of as houses.

The following section presents a definition of the concept “space-use intensity” and the visual-based methodology employed to document its variables, the “house interviews”. After that, I summarize the key findings extracted from more than 30 house interviews carried out in Dar es Salaam, in comparison with data from Kampala (Uganda), Dakar (Senegal), and Bogota (Colombia). Finally, I discuss the implications of these space-use intensity estimates and findings for urban policy.

4. House interviews to reveal “space-use intensity”

Space-use intensity is a concept inspired by time-use survey techniques pioneered by feminist economics, which reveal the true extent of household multitasking. A brief introduction to time-use multitasking lays the groundwork for understanding space-use intensity. As Gershuny has demonstrated, failing to account for secondary activities, conceals far too many activities (Gershuny, 2009; Gershuny et al, 2020). This time-use research shows that as much as 12.5% of childcare is unaccounted for in time-use surveys that do not capture multitasking (Gershuny, 2009:198). Instead, if multitask-

ing is considered, then the “total activity participation is increased, as time-use is intensified” (Kenyon, 2010, 45). I also draw from Jane Jacobs’ (1969) ideas about mixed-use to define two key variables of spaces that multitask: 1) granularity (the internal parts within an observed unit) and 2) range (a variety of types of uses). In the concept of space-use intensity, granularity refers to different users within a house (independent households or independent businesses); and range refers to 2) different uses within a house (residential, commercial, industrial / manufacturing, services, and ‘green’ recycling or urban agriculture). Space-use intensity data, as conceptualized herein, compiles a detailed count of the discrete uses and users within the houses, a tally.

The method used to capture space-use intensity data is called the house interview, which aims to interrogate space itself, via semi-structured interviews with residents. The interviewer, if allowed, tours each room in the house taking impromptu photographs of every space. The method uses conversation, rough drawings, and photographs, to interrogate the space itself. The objective is to compile a complete tally of uses (range) and users (granularity) in the space. The complete count of observed uses are then compared with whatever cadaster or land-use in-

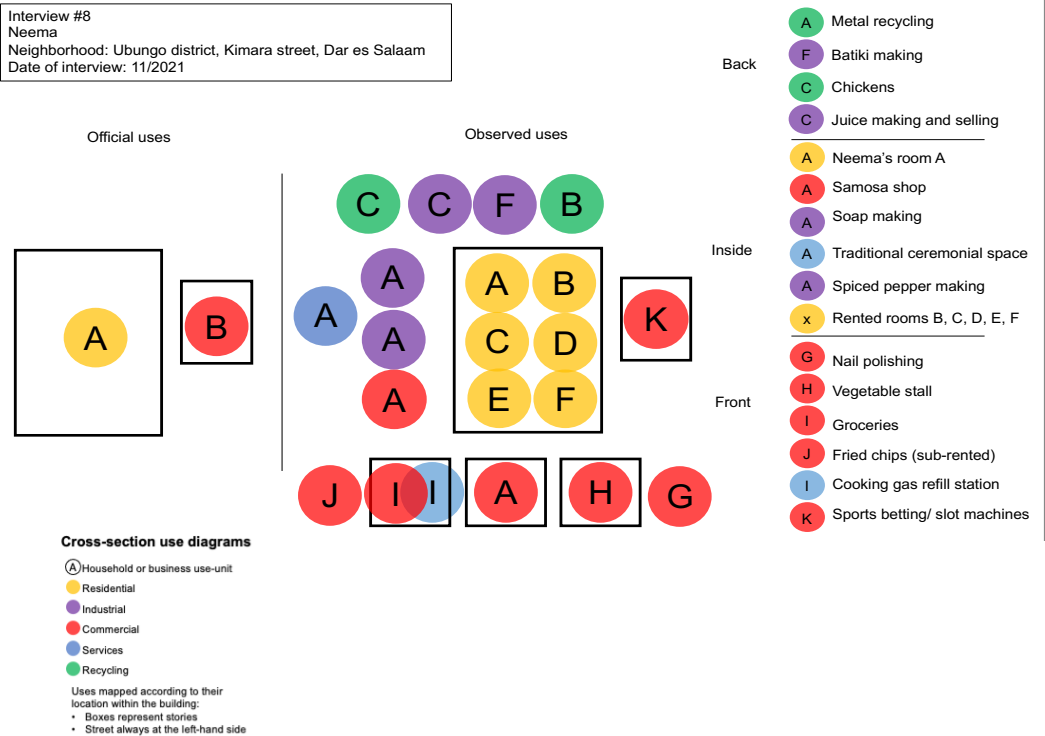
formation is locally available about the recognized uses of the space. Each local researcher¹ selected the houses to interview based on two simple criteria. First, ease of access (rapport), and second, that houses deemed locally as typical or average neighborhoods (not the poorest nor the richest, but middle-to-low income) in consolidated informal settlements (defined by Ward (2015) as old peripheries).

Each house interview is documented with a visual record. The schematic layout of the plot is drawn in a plan view. Each use receives a color: yellow for residential, red for commercial, blue for urban or social services, purple for industrial or manufacturing, and green for recycling, urban agriculture, or livestock. Each colored circle has a letter representing different users. For each independent household or independent business, a new letter is added. The full story of all the observed uses can be read in the legend at the right. On the left there is a diagram that summarizes what uses the local government records recognize (business permits, building licenses, land use maps, and cadaster data). For each house interview there is a visual record (Figure 4), and with each visual record, a set of space-use variables can be extracted (Table 1). The method was employed and refined through applica-

¹Local researcher Imma Kapinga was responsible for conducting the house interviews in Dar es Salaam between November and December of 2021.

tions in 12 interviews in Dar es Salaam (4), Kampala (4), and Dakar (4). For reference, a visual summary of additional 19 interviews in Bogota, Colombia, is also included to show how the methodology can adapt to different urban realities (Annex 1: Page 70). Additional conceptual and methodological details are available from FES (2021) and Carizosa (2021).

The nature of this research is qualitative, even though it can be summarized quantitatively. The size of the sample is not intended to be statistically representative, but they serve as descriptive numbers indicative of the extent of intensity of use. Furthermore, the estimations have an important argumentative power, that could be further explored.



| Space-use intensity variables | Dar es Sa-laam | Kampala | Dakar | Bogota | Total |
|---------------------------------|----------------|---------|-------|--------|-------|
| | n=4 | n=4 | n=4 | n=19 | n=31 |
| Observed use units (letters) | 9.3 | 4.5 | 5.5 | 4.2 | 5.9 |
| Observed uses (colors) | 4.3 | 4.5 | 4.8 | 3.6 | 4.3 |
| Total count of uses observed | 17.0 | 14.5 | 15.8 | 7.7 | 13.7 |
| Residential | 4.3 | 3.5 | 4.0 | 3.6 | 3.8 |
| Services | 4.3 | 3.8 | 4.5 | 0.9 | 3.4 |
| Commercial | 6.3 | 4.5 | 3.3 | 1.5 | 3.9 |
| Industrial | 1.3 | 0.8 | 2.0 | 1.1 | 1.3 |
| Green | 1.8 | 2.0 | 2.0 | 0.6 | 1.6 |
| Non-economic | 8.5 | 7.3 | 8.5 | 4.5 | 7.2 |
| Economic | 9.3 | 7.3 | 7.3 | 3.2 | 6.7 |
| Total count of recognized uses* | 1.8 | 2.5 | 3.0 | 1.4 | 2.2 |
| Invisible uses | 15.3 | 12.0 | 12.8 | 6.3 | 11.6 |
| % Residential | 24.7% | 21.3% | 25.8% | 46.3% | 29.5% |
| % Economic | 53.0% | 47.9% | 45.8% | 41.6% | 47.1% |
| % Services | 26.2% | 30.8% | 28.3% | 12.1% | 24.4% |
| % Visible | 10.3% | 16.3% | 19.9% | 18.5% | 16.2% |
| % invisible ** | 89.7% | 83.8% | 80.1% | 81.5% | 83.8% |

*These numbers are estimated, as the investigation on cadaster information is incomplete

**Calculated using the total count of official uses, as per local government plans or databases

Table 1: Space-use intensity variables from house interviews comparison of averages across cities (Source: Author's own)

4.1 Space-use intensity findings

These findings suggest that what is understood as a house in Dar es Salaam holds more than a single household and more than residential uses alone. In fact, residential uses in the described houses are less than 25% of the total uses observed. In other words, the residential use is merely a quarter of what is happening in Dar es Salaam houses. The economic uses within the houses, including commercial, manufacturing, recycling, and agriculture, represent more half of what happens inside these houses: 53%. Finally, services, like community areas, urban water and sanitation, and repair shops, account for 26% of the uses. This is a high percentage compared to previous

findings from houses in consolidated informal settlements in Bogota, Colombia, where services only account for 12% (Carrizosa, 2021). These findings reveal that informal settlements cannot be thought of as residential areas, because doing so would invisibilize work, services, capacities, challenges, and possibilities.

Space-use intensity data is also useful for going beyond the claim that the just city should include the “urban invisibles” (FES, 2020). Despite this being a small sample, we can estimate the extent of what the Dar es Salaam government is ignoring at 89.7%. This percentage is consistent with estimates from other cities, though it is the highest

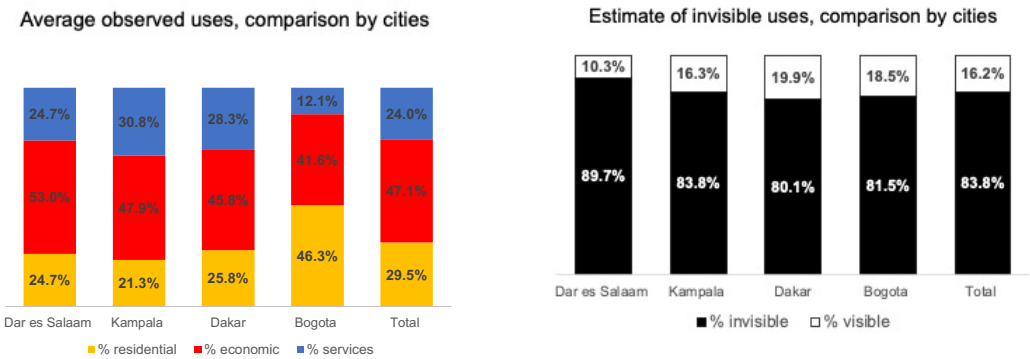


Figure 5 (Table1): Average of total observed uses, comparison by cities (left). Estimate of invisible uses, comparison by cities (right)

4.2 Implications for urban policy

The intense use of residential spaces proves that houses in Dar es Salaam are for much more than sleeping, in fact, their residential use is less than a fourth of what they accommodate inside. In houses people work, offer community services, maintain businesses, and save for the future. Houses serve as employment, as social protection, and as service providers. In consolidated informal settlements, residents provide for themselves and their communities whatever is not provided to them by the city governments. Informal neighborhoods and their residents internalize the services they do not receive through formal channels. In other words, social protections and urban services are being co-produced by the citizens. People are contributing much more to making life in the city possible than their municipal governments. Rather than labeling this state of affairs as good or bad, the point here is to acknowledge the extent of these activities, so that policy can be fine-tuned to these realities and be more effective and just. For policy to get smarter at supporting people, experts need to recognize that a house in an informal settlement is much more than a place of residence. The next section starts to delve into this.

5. Tanzanian insights on urban formalization

This section of the essay collects insights from members of the Just City Platform Housing Working Group (supported by Friedrich Ebert Stiftung's Tanzania Office), shared in personal interviews conducted between November 2021 and May 2022. Together, they cover a breath of expertise: Tumsifu Jonas Nnkya, former Director of Housing, Ministry of Lands, Housing and Human Settlement Development and retired professor from Ardhi University, Albert Nyiti, Assistant Research Fellow at the Institute of Human Settlements Studies (IHSS) at Ardhi University, Felician Komu, real estate expert and Chief Editor of AfRES Research Journal; Tatu M. Limbumba, Senior researcher Ardhi University; Tim Ndezi, Director of the Centre for Community Initiatives (CCI). Also included are valuable insights from Gaston Kikuwi, Chairperson of VIBINDO Association of informal traders of Tanzania, whose analysis of formalization policy in a sister sector (street vending) speaks directly to housing issues.

While all these experts' voices can be read directly in this same publication, I assemble and present their ideas in such a way that helps set the ground to phrase the short list of policy messages that I deem helpful to better align

the center of Tanzanian housing policy with the intensity of informal realities.

Housing policy has become irrelevant within the national agenda

The Tanzanian experts interviewed eloquently denounce that national housing policy is non-existent, and lament that the housing sector is so languid and incipient in the national portfolio as compared with other economic and social agendas. Some condemn that housing is lumped together with land issues (Kironde, 2021), that it is wrong to confuse the constitutional right to property with the right to housing (Nyiti, 2022), and key regulations get stuck in the pipeline or even reversed (Komu, 2022). Some seem to concur that the national government misunderstands the power of housing policy to drive the economy and decry the lack of national leadership and action in the housing sector.

A languid housing sector that struggles to make itself relevant alongside other sectoral policies is disheartening because housing is probably the one of the main instruments for growth and social development an emerging nation has (Carrizosa, 2020). Around the world, housing construction is often

made into an engine of the national economy. It generates long upstream and downstream value chains making it a prime contributor to a country's GDP. More strategically still, the housing sector has ripple effects in the local economy. Housing production, be it formal or informal, plays this economic role, with different levels of legibility, spread, and strength. Let one not zoom out of view that most of housing production is not formally produced, and so the bulk of the economic impact housing generates is not formal². This implies that there is a steady flow of resources from the informal to the formal, a sort of reverse "trickle down". Such "trickle up" processes are strong, healthy, permanent, and long standing. This is in fact how most of the tissue of our cities is made. Small but permanent and widespread interventions. Incrementally becoming better, completing, formalizing. If the housing stock and the housing market is mostly self-built (informal), then housing policy should center itself on these realities, end exploit its possibilities. To do otherwise is to ensure its irrelevance.

²An interesting case that took advantage of the amount of building materials the informal self-builders consume is "Patrimony Today", an upgrading program spearheaded by Cemex, a multinational cement producer (IDB, 2011).

Housing policy needs alternate housing vocabularies: nyumba(ni) and (ma)kazi

As a unit of analysis, a “house” is universal and is never devoid of meaning. But what a house entails in each context may differ considerably. To some, a house is a single room rented out within a larger structure. To others, it is a structure with several partitions and no windows, kitchen, or bathroom. It can also be a larger building with several rooms for members of various nuclear families and even guests. In other cases, it is a plot with ample spaces for agricultural crops and livestock. Also, Tanzanians disregard the difference between housing and settlement, using the Swahili words *nyumba* and *makazi* interchangeably (Nyiti, 2022). More importantly still, work and residential uses are indistinguishable, as the very word

for neighborhood, *makazi*, shares the root word *kazi* (Figure 4). Commercial activities are also merged with residential in Swahili: “a typical ‘commercial building’ *nyumba ya biashara* which directly translates to ‘commercial housing’ in English” (Nyiti, 2022). Perhaps more effective working vocabularies can come from grounded realities and its research. As Limbumba argues, concepts like space-use intensity can broaden urban planning and management because “traditional housing statistics can only get us so far” (Limbumba, 2022). This reflection on language is quite profound and ought to be addressed with all its philological rigor. For now, I will just echo the comments of Obeng-Odoom (2021), who claims the need to expand the taxonomies to think housing beyond the common disciplinary traditions and conventional theories of value.



Figure 6: Swahili word for settlement is more closely related to the word work than to house (Author, 2022)

Informality is mixed with formality and appears everywhere

Tanzanian experts acknowledge that informality does not exist in direct opposition to, nor is isolated from, formality. Rather, both are part of a gradient, a mix. When discussing this mixture in Dar es Salaam, Nnkya (2021) explains:

“Our settlements are unique in the sense that they accommodate all classes. There is more spatial mixture between different incomes, and between formal and informal, which do not look that different ... informal settlements are not settlements for the poor. Formal ones have better services, but they also have informal services.”

Nnkya (2021) goes further and assures that the “mix actually helps regularization policy.” Mixed-income settlements accelerate formalization by providing more diverse economic environments, as higher income neighborhoods demand locally available products and services that can be offered by lower income residents. The mix, then, promotes local markets. This complementarity is seldom exploited by policy, yet it is as old as urbanization itself (Mumford, 1961) and accentuated in bigger cities (Sassen, 2002).

According to Limbumba, the mixture of formality and informality is post-colonial. Tanzanian informal settlements -uswahilini- used to be quite distinct from formal ones -uzunguni-, which were planned, where occupied by Europeans, and had larger plots. At first, and in many people’s imaginaries, uzunguni did not informalize. But currently, informal subdivisions within formal uzunguni settlements are more and more common. She gives the example of Oyster Bay, initially owned by the government, then it passed property to residents, who have been subdividing the plots (Limbumba, 2022). Subdivision is one of the most important processes in the formalization continuum, as I will explain later.

Formalization is not inclusion, but recognition and support

Urban informality has a stigma attached to it that obstructs learning from it. The idea of taking advantage of it, of making the most of its potential, remains problematic for both technicians and welfarists alike. Indeed, stories abound about formalization projects, programs, or policies that, while well-intentioned, undermine their own purpose. Even though their unjust outcomes get engraved in the minds and hearts of those who are aware or old enough to remember, the same type of initiatives resurge again later, with slightly different guises. There is much learn-

ing, and some unlearning to be done. For instance, Kikuwi explains that “the biggest challenge to recognition is the mindset from the authorities. They see informality as a nuisance, as stubborn. They can’t think outside the box, they don’t see there is no box! 97% of businesses in Tanzania are informal” (Kikuwi, 2021).

When it comes to formalization success stories, sectors other than housing have useful lessons. It is now acknowledged that the most salient are those in waste management, which cleverly connect employment formalization, environmental sustainability, and neighborhood services (Bhan, 2019). Tanzania’s trajectory in the formalization of street-vending makes is illuminating. Kikuwi, the leader of the VIBINDO Society, a member-based organization of informal manufacturers, traders, and service providers, explains that a fundamental shift is needed because formalization should not be mere inclusion. The objective of widening the tax base is not a bad policy, per se, but it not enough.

When Dar es Salaam issued its 1998 master plan, persecution escalated of “informal traders, beating harassing, confiscating their goods” (Kikuwi, 2021). In response, informal business-people got organized, not so much to fight back, but to guarantee representation. Twenty years later, the

government issued the Blueprint Law (GoT, 2018), removing 200 regulations to facilitate formalization, including e-registration of businesses, national e-card, and the like. However, “its impact is very minimal ...worse than that, de-formalization is what they actually do. The government is encouraging more informality” (Kikuwi, 2021). Not to mention that the following administration did not share the same appreciation (Komu, 2022). So, Kikuwi (2021) explains, “The purpose of formalization should not be to formalize, the purpose should be transformation ... transformation from informal to formal.” “There are two components to transformation” he stated. “One is recognition. We need to understand better who workers and businesses are in terms of gender, age, sector, and why they work in what they do... the second component is incentives: conducive working spaces, finance, social protection, skills’ training, appropriate technologies, and marketing” (Kikuwi, 2021). In short, recognition and incentives are prerequisites for effective formalization.

Since there can be no real formalization without recognition, and since recognition cannot happen without more accurate knowledge of informality, legibility-enhancing efforts are fundamental. These can include censuses, cadasters, enumerations, among others. Legibility

that can lead to recognition can be attained through different channels. For instance, recent research in Dar es Salaam provides substantial evidence that informal institutional arrangements are “are surprisingly effective in securing ownership and addressing transaction costs” (Panman, 2021:230). Up to “75% of informal owner-occupiers say they are not at all concerned that someone may take their property away from them without their permission.” (Panman, 2021:233). Leaders from the lowest level of government—subwards or mitaa (streets)—serve as witnesses to transactions. Ward tribunals effectively resolve conflicts, making the informal system more functioning than its formal alternative. If the effectiveness of this system were better recognized and taken advantage of, formalization processes would be streamlined. Another noteworthy example is the online platform MyDalali.co.tz, that registers informal real estate brokers (dalalis) serving as a control for their integrity, mapping crowdsourced real estate information, and facilitating transactions with potential clients. An example of a legibility-enhancing effort in the path towards the formalization of the dalali business.

Policy should include people’s co-production of urban services, goods, and social protections

A co-production approach to urban goods, services, and social protections would reconceptualize public provision, not as a matter of “the-state-does-it-all,” or “the-private-sector-does-it-best”, but as one that welcomes regular citizens, especially those who are majoritarian subjects and objects of government action. Numerous examples of synergistic collaboration between public and informal stakeholders to improve service provision have been documented across different sectors (Meagher, 2013), such as waste management (Nzeadibe, 2013; Parra, 2020), water and sanitation (Ahlers et al., 2014), housing and urban planning (Watson, 2014), and social protection (Tokman, 2007; Steiler, 2018).

Informal housing arrangements play a social protection role for many people. Houses with intense uses, especially economic uses, offer protection for their residents in times of need, acting exactly as social insurance (as a source of life insurance in times of death, severance or unemployment payments, and the like). It does take some degree of intellectual flexibility to understand that social protections can take many forms, and that some of those forms can be spatialized, even photographed, if one dares to look close enough. But at the same time, using their spaces as social protection is just a natural way of getting by in the city, and in fact, the notion that housing is used

as a pension, and old-age security and fundamental patrimony to leave one's offspring, is connatural to urban development, a widespread practice of the poor (Torres in Carrizosa, 2021) and the well-off too.

Co-production understands, pragmatically, that when addressing joint state and market failures, partnerships are the key to achieve effective, on the ground, scalable success. This is one of the reasons why for local governments it is indispensable to recognize informal activities – not to erase informality, but to lay the true baseline from which to build a more just system, to lay bare people's assets, however fragile, fractioned, or seemingly disorganized they look on the surface. The intense economic and urban services activities happening in consolidated informal settlements should not only be recognized but also supported. Attaining just cities in Tanzania requires supporting social infrastructure, co-production can simply mean devolution of responsibility, so it becomes exploitative, and hence an opportunity for redistribution is missed (Chen, 2006). Without a creative, spatialized, and unbridled support structure to help informal service provision of goods, services, and social protections to perform better.

Can formalization of horizontal property make taxation fair?

Despite understandable political controversy, substantial public investments in Tanzania inevitably require increased collection by either "widening" or "deepening" the tax base. Thus, the important question to ask is how knowledge of space-use intensity relates to taxation. Specifically, how to guarantee it is fair and viable while preventing it from being exploitative.

It is broadly recognized that African cities need to capture the benefits of its accelerated urbanization and reinvest this value for the common good. Among the fiscal policy options, expert urban development economists deem that "property taxes are fairer and more efficient than other types of taxes" (Collier et al., 2018:2). Further, they argue that land and property taxes represent "the largest source of untapped municipal revenue" (Collier et al., 2018:4).

Komu (2022) explains how Tanzania had been making good progress at this:

“Arusha was performing exemplary well, collecting as much as \$1 million USD. But when the national government realized this potential, it nationalized it. Everything changed in 2016. The system became charged via the electricity bill for anyone with a meter, not property owners. So, this is not a

| property tax, and obviously
not local revenue! ””

Tanzania's levying of property taxes through electricity bills has rightly been deemed both innovative and exploitative (Makakala, 2021). Indeed, it has elements of both. On one side, the system widens collection by fragmenting the client base, which means cheaper bills that are likelier to be paid. But on the other hand, it is unfair that while the tax is tied to urban buildings, the revenue stream flows away from the city government, which should be using it to service precisely those areas that are more intensely used. Intensely used areas should be paying more taxes (even if in minuscule fragments) but at the same time they should be receiving corresponding municipal investments and maintenance.

Another way to approach property taxation that widens collection while becoming cheaper (hence likelier to be paid), is to promote horizontal property subdivisions. In fact, horizontal property laws were invented to encourage affordability and ease transactions. Horizontal property arrangements, that is, formal subdivisions, can become a partner and not a rival of urban formalization. Limbumba acknowledges that the upgrading of informal settlements often triggers subdivisions, and laments this as a contradiction—formalization triggers more informalization (Limbumba, 2022).

However, subdivisions also mean that the city is becoming more compact, denser, and more walkable, all of which are tenets of sustainable urban development. What is important is that subdivisions are as legible as possible. This entails giving mtaa leaders, who are close to the issues, mandate to enact urban control when there are serious health hazards (Limbumba, 2022).

Discussing taxation is always politically unpleasant. It can only stop receiving so much backlash if residents and governments understand that taxes are the cost people pay for the provision of good public goods and services. If people see high quality goods and services, taxes would be seen as worthy. The bar here is quite low in Tanzania. A recent FES survey to more than 2,000 households in formal and informal settlements in Dar es Salaam revealed that: "Only about one in ten participants expected the government to provide them with the service because they paid tax" (FES, 2021:38), of course, the lower the income the less people expect (79%), and women expect even less than men (FES, 2021:40). Perhaps we can read this low baseline optimistically. If municipal governments give quality infrastructures to those that less expect to receive them, the social contract will become stronger and healthier.

Housing policy needs to re-align with the majority

The center of the housing policy in the country appears to be misaligned with the real needs and possibilities of the majority. Focusing on formal mortgages and refinancing of new constructions dismisses the fact only “2.7% of the urban households can afford the cheapest newly built house” (CAHF, 2021:13). This means there is a mismatch between the solutions being offered and the problems that abound. This housing policy, focused on formal solutions, disregards the real needs and possibilities of the majority. The core of the challenge is misplaced setting aside the fact that 90% residents do not have trunk sanitation infrastructure (Ndezi, 2022) to prioritize the financing of new buildings. If 70% of the urban areas are informal (Komu, 2022) (as is the income of its residents), then why focus the policy primarily on the formal minority? When 98% of the housing stock is self-built (Limbumba, 2022), this is the city. A city already there, that needs support. Given this reality, housing policy ought to look very different.

The form of housing policy that Tanzania needs may contrast with conventional expectations. Necessarily, for

housing policy to be effective and just, it needs to firmly center itself in the needs of the majority: it should not shy away from embracing informality. Upgrading efforts need to be bolder, the servicing of informal settlements needs to be more widespread and more generous. Aligning the center of housing policy with the informal reality should not be seen as unbecoming or unambitious. Coming to grips with the reality is not aspiring to less but having the courage to appreciate the heroic minutiae city-making efforts of the people and accept them as part of the national urban identity.

Recentring housing policy in the majority also means accepting that the legacy of sites-and-services³ programs is not one of failure, but one of incomplete success (Owens et al., 2018). Housing experts like who witnessed or have studied the early post-independence policies, like Nnkya, show appreciation for what umajaa (‘familyhood’) policies were able to accomplish. This begs the question if what is needed today is an urban update of successful elements of that national project. At the time of the Arusha Declaration Tanzania was 6% urban, but today it is up of 35%, and rapidly accelerating (World Bank, 2022). Now, what if

³Housing alternative championed by the World Bank in the 70s as an effective slum prevention policy. The model (deployed by Latin America’s CINVA in the late 50s), proposed “the delivery of incremental housing for the poor through the provision of small-serviced plots, sometimes with a core unit.” (Owens et al, 2018:260)

umajaa principles were to be brought up to date with the urban reality of the country? The ujamaa villages of the late 60s are not what 21st century Tanzania needs. But the strategies and even their main components: “high-density neighborhoods with a minimum of initial infrastructure investment, self-built housing, and communally organized markets, cottage industries, and sham-bas” (PADCO, 1969:53), resonate -if adapted- with future-proof housing policy and sustainable urbanization. New instruments must include digital citizenship, decentralized service provision, microgrids, and circular local economies. What was missing then and cannot be absent any longer: robust urban social and physical infrastructures. At the core of Tanzanian housing policy there may not be actual houses, but its supporting urban services, social protections, and different types of infrastructures.

6. Key messages for a more effective housing policy

In ending, this essay highlights a short set of principles that Tanzania’s housing policy would benefit from embracing.

1) Housing policy needs to be re-centered to align with the majority

2) Housing policy needs to look

different: less houses, more support infrastructures

3) Formalization is elusive without recognition of functioning informal arrangements

4) Swahili housing vocabularies should guide policy strategies

5) Coproduction of policies means supporting people’s urban service provision

6) Social protection policy can be most effective if it is spatialized

7) Subdivision can make property taxes be cheaper and broader

All these points share the fundamental idea that policy cannot afford to be so distant from the realities of the majority. Instead, it should tailor itself to take advantage of informal working arrangements, counter its shortcomings, and support its capacities.

7. References

Ahlers, R., Cleaver, F., Rusca, M. & Schwartz, K. (2014). "Informal space in the urban waterscape: Disaggregation and co-production of water services". *Water Alternatives* 7(1) pp 1-14

Barry, M. (2015). *Property theory, methods, and the continuum of land rights*, Nairobi: UN Habitat

Bhan, G. (2019). "Notes on a Southern urban practice", *Environment & Urbanization*, International Institute for Environment and Development (IIED), Sage, pp 11–16.

Carrizosa, M. (2020). "Six Countries and Twenty Years: A transversal reading of Latin American urban policy", in: *Urban Policy in Latin America*, Routledge, Oxford.

Carrizosa, M. (2021). *Working homes: Space-use intensity and urban informality in Bogota*, Doctoral Dissertation, Publication # 28498120, The New School, New York.

Chen, M. A. (2006). *Rethinking the informal economy: linkages with the formal economy and the formal regulatory environment*. In Guha-Khasnobis, B., Kanbur, R. and Ostrom, E. (Eds.) *Linking the formal and informal economy: concepts and policies*, Oxford: Oxford University Press. DOI:10.1093/0199204764.003.0005.

Chen, M. A. (2014), *Informal economy monitoring study sector report: Home-based workers*, Cambridge, MA: WIEGO.

Chen, M. A., Roeever, S., & Skinner, C. (2016). *Urban livelihoods: reviewing the evidence in support of the new urban agenda*. Editorial in *Environment and Urbanization Brief- 34* International Institute for Environment and Development (IIED), pp 1-12. London: Russell Press.

Chen, M. A., Kihato, C. W., & Skinner, C. (2018). *Inclusive public spaces for informal livelihoods: a discussion paper for urban planners and policy makers*. Prepared by WIEGO for the Cities Alliance Joint Work Programme for Equitable Economic Growth in Cities. p 17. Manchester: WIEGO Limited.

Collier, P., Glaeser, E., Venables, T., Blake, M. Manwaring, P. (2018). "Land and property taxes for municipal finance", *Cities that Work*, International Growth Center, LSE and Oxford University, UK Aid. Online.

De Soto, H. (2000). *The mystery of capital: Why capitalism triumphs in the west and fails everywhere else*. New York, NY: Basic Books.

FES (2020). *Towards the just city in Kenya*, Friedrich Ebert Stiftung Kenya, Nairobi, <http://library.fes.de/pdf-files/>

[bueros/kenia/17107.pdf](https://www.bueros/kenia/17107.pdf)

FES (2021). “Towards a Socially Just Urbanization in Tanzania”, research report on Tanzania’s general urbanization and migration survey, White Paper.

Gershuny, Jonathan & Harms, Teresa & Doherty, Aiden & Thomas, Emma & Milton, Karen & Kelly, Paul & Foster, Charles. (2020). Testing Self-Report Time-Use Diaries against Objective Instruments in Real Time. *Sociological Methodology*. 50. 008117501988459. 10.1177/0081175019884591.

GoT (2018). Blueprint for regulatory reforms to improve the business environment, Ministry of Industry, Trade and Investment. Dodoma: Government of Tanzania.

Guha-Khasnobis, B., Kanbur, R. & Ostrom, E. (2006). Beyond formality and informality. Linking the formal and informal economy: concepts and policies. DOI:10.1093/0199204764.003.0001.

Hardill, I., Baines, S. & Perry (2007). Volunteering for all? Explaining patterns of volunteering and identifying strategies to promote it. *Policy and Politics*, 35(3), pp 395–412.

ILO (2015). Transition from the informal to the formal economy Rec-

ommendation, 2015 (No. 204) Geneva: International Labour Organization. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEX-PUB:12100:0::NO::P12100_ILO_CODE:R204.

ILO (2018). Women and men in the informal economy: a statistical picture, (3rd ed.), p 24. Geneva: International Labour Organization.

ILO (2020). Report on employment in Africa (Re-Africa) Tackling the youth employment challenge. pp 1-2. Geneva: International Labour Organization.

Inter-American Development Bank (2011). “Patrimonio Hoy: Bringing a Successful Housing Solution to Scale”, <https://publications.iadb.org/publications/english/document/Patrimonio-Hoy-Bringing-a-Successful-Housing-Solution-to-Scale.pdf>

Jacobs, J. (1969). The economy of cities. New York: Random House. <https://doi.org/10.1002/ncr.4100580916>.

Joshi, A. & Moore, M. (2004). Institutionalised co-production: unorthodox public service delivery in challenging environments. *The Journal of Development Studies*, 40(4), Pp 31-49. <https://doi.org/10.1080/00220380410001673184>.

- Jutting, J., & Laiglesia, J. R. (2009).** Employment, poverty reduction and development: What's new? Is informal normal? Towards more and better jobs in developing countries. (pp 17-26). Paris: OECD Development Centre. <https://doi.org/10.1787/9789264059245-en>
- Kiaga, A. & Leung, V. (2020).** The Transition from the Informal to the Formal Economy in Africa, Global Employment Policy Review Background Paper #2, International Labor Organization (ILO), Geneva.
- Kikuwi, G. (2021).** The Just City in Africa, Working paper on urban informality, Personal interview, November 9, 2021.
- Kironde, L. (2021).** "Focusing on housing could catapult Tanzania into higher development levels", The Citizen newspaper, July 8, 2021. online: <https://www.thecitizen.co.tz/tanzania/news/business/focusing-on-housing-could-catapult-tanzania-into-higher-development-levels-3466056>
- Komu, F. (2022).** Conversation with members of the FES-Tanzania Housing Group, Personal interview, May 4, 2022.
- Lewis, Arthur. (1954).** "Economic Development with Unlimited Supplies of Labor", The Manchester School, 22:2, Manchester, pp 139–91
- Limbumba, T. M. (2022).** Conversation with members of the FES-Tanzania Housing Group, Personal interview, May 4, 2022.
- Makakala, Charles. (2021).** "Tanzania: Taxation Decisions That Reflect Desperation, Innovation" The Citizen, 2 September 2021, online: <https://allafrica.com/stories/202109020823.html>
- Meagher, K. (2013).** Unlocking the informal economy: A Literature review on linkages between formal and informal economies in developing countries. WIEGO Working Paper #27, April 2013
- Moser, C. (1994).** "The Informal Sector Debate, Part 1: 1970-1983." in Contrapunto: The Informal Sector Debate in Latin America, edited by C. A. Rakowski. SUNY Press.
- Mumford, Lewis. (1961).** The City in History: Its Origins, Its Transformations, and Its Prospects, Harcourt Brace Jovanovich, New York
- Nnkya, T. J. (2014).** Financing affordable housing in Tanzania: policy, initiatives, challenges and opportunities, Presentation to the 6th Global Housing Finance Conference, Washington, DC. May 29, 2014,

Nnkya, T. J. (2021). The Just City in Africa, Working Paper on Urban Informality, Personal interview, November 10, 2021.

Nyiti, A. (2021). The just city in Africa, Working Paper on Urban Informality, Personal interview, November 29, 2021. Online.

Nzeadibe, T.C. (2013). Informal Waste Management in Africa: Perspectives and Lessons from Nigerian Garbage Geographies. *Geography Compass*, 7, 729-744.

Obeng-Odoom, F. (2015). "The Social, Spatial, and Economic Roots of Urban Inequality in Africa: Contextualizing Jane Jacobs and Henry George", *American Journal of Economics and Sociology*, 74:3, <https://www.jstor.org/stable/43817529>

Obeng-Odoom, F. (2021). "Urban housing analysis and theories of value", *Cities*, <https://doi.org/10.1016/j.cities.2022.103714>

Owens, K., Gulyani, S., and Rizvi, A. (2018), "Success when we deemed it failure? Revisiting sites and services projects in Mumbai and Chennai 20 years later, *World Development*, Elsevier, pp 260–272, <https://doi.org/10.1016/j.worlddev.2018.01.021>

Panman, Alexandra. (2021). "How effective are informal property rights in cities? Reexamining the relationship between informality and housing quality in Dar es Salaam", *Oxford Development Studies*, 49:3, pp 230-244

Parra, F. (2020). The struggle of waste pickers in Colombia: From being considered trash, to being recognised as workers. *Anti-Trafficking Review*, (15), pp 122-136. <https://doi.org/10.14197/atr.201220157>

Perry, G., Saavedra-Chanduvi, J., Maloney, W., Fajnzylber, P, Arias, O., and Mason, A. (2007). Informality: Exit and Exclusion. World Bank, Washington, D.C.

Rakodi, C. & Lloyd-Jones, T. (2002), Urban livelihoods: a people-centred approach to reducing poverty. p3. London: Earthscan Publications Ltd.

Roy, A. (2009). Why India cannot plan its cities: informality, insurgence and the idiom of urbanization. *Planning Theory*, 8(1), pp 76-87. <https://doi.org/10.1177/1473095208099299>.

Sassen, S. (1994). The informal economy: between new developments and old regulations. *Yale Law Journal*, 103 (8), 2289-2304.

Sassen, S. (2002). Global cities and di-

asporic networks: Microsites in global civil society. *Global Civil Society* 2002. Chap. 9, pp 217-238. London: Oxford University Press.

Simone, A.M. (2010). *City life from Dakar to Jakarta*. New York: Routledge

Steiler, I. (2018). What's in a word? The conceptual politics of 'informal' street trade in Dar es Salaam. *Journal of Urban Research*, pp 17-18. <https://doi.org/10.4000/articulo.3376>

Tippie, G. (2004), Settlement upgrading and home-based enterprises: discussions from empirical data, *Cities*, 21 (5), 371–379.

Tokman, Victor E. (2007). Modernizing the informal sector. DESA Working Paper No 42. New York: United Nations Department of Economic and Social Affairs.

World Bank. (2022). "Urban Population - % of total population, Tanzania", United Nations Population Division. *World Urbanization Prospects: 2018 Revision*, online <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=TZ>

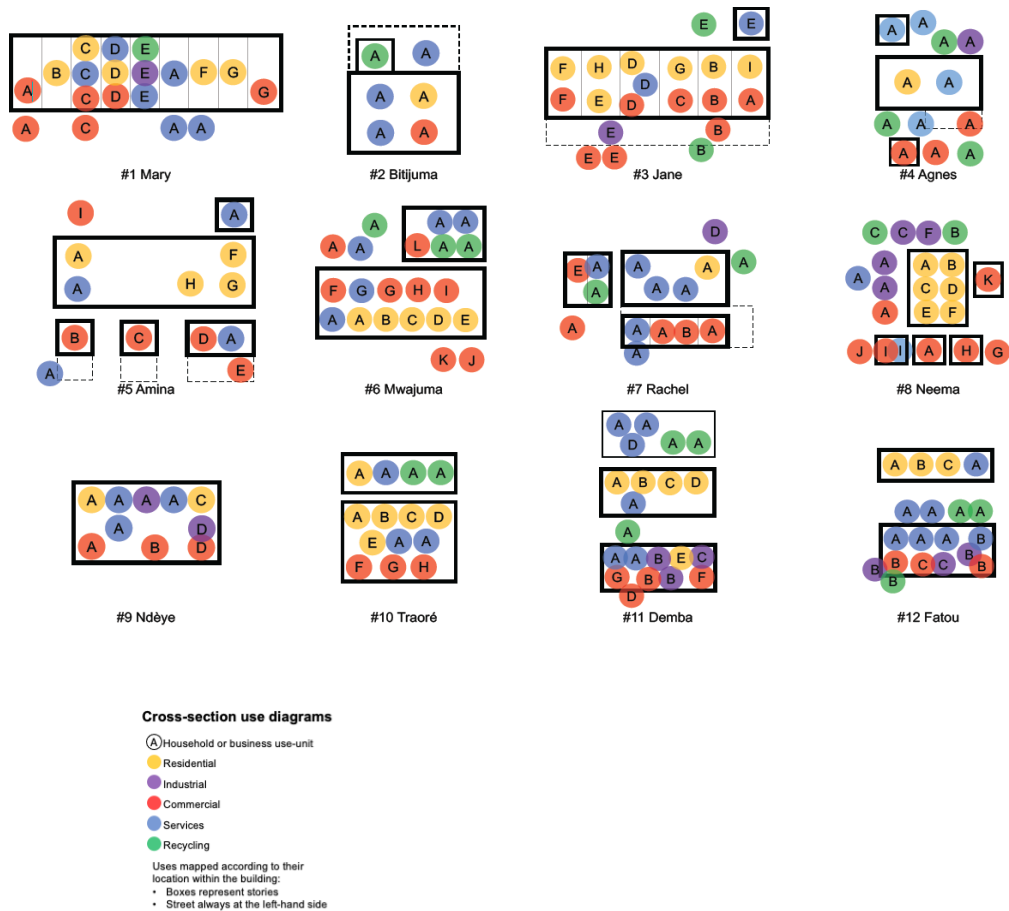
Ward, Peter. (2015). "Housing rehab for consolidated informal settlements: A new policy agenda for 2016 UN-Habitat III", Habitat International,

50, pp 337-384

Watson, V. (2014). Co-production and collaboration in planning – The difference. *Planning Theory & Practice*, 15(1), 62–76. doi:10.1080/14649357.2013.866266

Yiftachel, O. (2009). Critical theory and 'gray space': Mobilization of the colonized. *City*, 13(2-3), pp 246-263. <https://doi.org/10.1080/13604810902982227>.

8. Annex

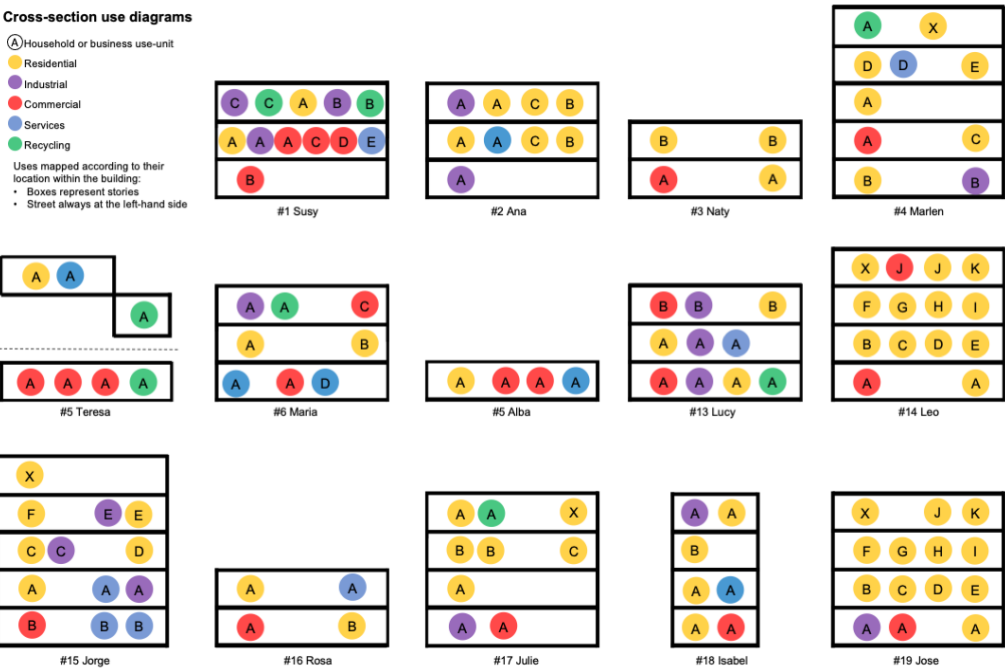


Annex 1: Visual plan-view summary of house interviews in Dar es Salaam, Kampala, and Dakar (FES, 2021)

Cross-section use diagrams

- Ⓐ Household or business use-unit
● Residential
● Industrial
● Commercial
● Services
● Recycling

Uses mapped according to their location within the building:
• Boxes represent stories
• Street always at the left-hand side



Annex 2: Visual cross-section summary of house interviews in Bogota, Colombia (Carrizosa, 2021)

4

Just and secure access to adequate and affordable housing

By Tatu Mtwangi Limbumba



1. Introduction

For decades urban planners have been struggling to find the right balance of private sector and public sector solutions to housing the urban poor. This is especially difficult in countries like Tanzania, where informal settlements and high poverty rates dominate the urban landscape. Informal settlements are often self-built by residents themselves and lack planning that could provide a long-range vision and coordinate an incremental urban development approach. Tanzanian urban authorities lack the capacity to cope with the rapid rate of urban population growth, though legal frameworks promise the right to own property and access housing. Despite these promises, the reality is that many people struggle to access adequate and affordable housing, and state-led solutions cannot meet demand. Given these realities, a mix of housing providers are needed.

Article 24 of the Tanzanian Constitution recognizes that every citizen has the right to own property while the Draft National Housing Policy (2018:35 Draft Policy) envisions, “a well-functioning housing sector that delivers adequate and affordable housing for all inhabitants in the urban and the rural areas.” This Draft Policy (2018:7) defines adequate housing as, “housing comprising security of tenure; availabil-

ity of services, affordability, habitability; accessibility; [and] location and cultural adequacy.”

However, low-income urban residents are often unable to access adequate housing due to a number of factors.

- (i) Low-incomes and the desire to live in proximity to livelihood sources compel them to live in sub-standard housing often rental;
- (ii) Informal often risky settlements accommodate most houses that are self-built, self-financed incrementally;
- (iii) The cost of housing inputs such as planned land, housing finance and construction materials are unaffordable; and
- (iv) In the absence of social assistance/protection, vulnerable groups such as women, the elderly and persons with disability face even more hardships in terms of access to decent housing.

Financial constraints force some to rent or build in under-serviced informal or precarious locations deprived of services, overcrowded, and in poor condition. Most urban residents in Tanzania (about 70%) live in informal or un-

planned settlements, either as renters or owner-occupiers. Informal housing is driven in part by limited supply in appropriate locations, high prices of formal land, high construction costs, and urban poverty. Compared to planned and formal areas, between 40% and 80% of all built up residential areas are informal in Tanzania (Zhang et al, 2020). As a result, low-income settlements often face socio-spatial marginalization and inequalities exacerbated by the absence and inadequacy of clean water and sanitation in the informal areas that jeopardize their health and welfare (Kombe, 2017). Just over 50% of households in Dar es Salaam are serviced with piped water, and the recent COVID-19 pandemic brought to the fore the service inequalities related to water, and therefore hygiene.

Women in urban areas are adversely affected by the deficits found in informal housing, particularly in their reproductive role as caregivers and nurturers of their families (see Chant, 2013). Environmental hazards, like flooded roads, can pose further hardships on poor urban residents, more so than to high-income residents. The conditions intersect to further spatially marginalizing the poor from enjoying their rights to the city. Indeed, beyond affordable and adequate housing, cities that aspire to be just and inclusive need to promote spatial planning that supports jobs and livelihood opportunities for

the poor, ensure safety and security, and recognize culture and diversity for overall well-being. All income and social groups should have their housing needs and preferences met, including those groups that desire to rent.

2. History of housing inequalities in the city of Dar es Salaam

As one of the fastest growing cities in sub-Saharan Africa, Dar es Salaam provides a fitting context to showcase challenges related to urban housing, marginalization, and the development of just cities. The development of housing in Dar es Salaam has been influenced by racial segregation initiated during the colonial period. Some of the features that are still apparent today include spatial separation of races into areas for colonists (*Uzunguni*), traders (*Uhindini*), and African locals (*Uswahilini*) (Brennon and Burton, 2007). High- and middle-class neighborhoods occupied by mostly white immigrants and transient tourists such as Oyster Bay and Msasani, are referred to as *Uzunguni*. Other neighborhoods in and around the Central Business District (CBD), like Upanga and Kisutu, have been occupied by government quarters and traders, most of whom are Indians and other South Asians (*Uhindini*). Squatter settlements ('slums') and un-

planned neighborhoods occupied by public servants and the poor, popularly called *Uswahilini*, make up the rest of the city.

The growth of *Uswahilini* was a precursor to the development of informal housing areas. These areas largely informal; were favored due to affordability, socially supportive of livelihoods and continued to harbor the native population (Kironde, 1995). While squatter upgrading and sites and services programs were implemented in the 1970s to improve the housing; the programs displaced poor, native Africans in *Uswahilini* areas, and many displaced people went back to their former residential areas due to among other factors the distant locations of the new housing (Kironde, 1995). Now, 61 years after independence and the abolishment of racial zoning, the spatial behavior of many largely reflects patterns established during the colonial era (Smiley, 2013:217). Furthermore, areas such as Msasani and Oyster Bay (*Uzunguni*) have limited bus services (*daladala*), thus excluding many residents who might otherwise desire to live there.

3. Overview of housing affordability

Access to adequate and affordable housing in urban areas of Tanzania is constrained by poverty, and low-incomes. While overall the national poverty line has improved, according to the Tanzania Household Budget Survey (HBS, 2018), poverty in urban areas has increased compared to the situation in 2012. For example, in the city of Dar es Salaam, the HBS reports that the proportion of people living in poverty doubled from 1.5 to 3.0 percent. The numbers indicate the most vulnerable population whose lives are destitute. However, when it comes to the ability to afford an adequate house the income levels of most households in Tanzania appear too low to access good housing according to Household Budget Survey (2018).

Indeed, the CAHF report (2020) estimates that only 2.7% of urban households in Tanzania can afford a standard, good quality, low-cost house, if the household were to put aside at least 25% of its income for mortgage payments. This implies that the remainder (97.3%) of urban households cannot afford to obtain a bank loan indicating a need for micro-finance products (see Tumsifu Jonas Nnkya in this edition). A salaried worker needs about 9 times their annual income to be able to buy

the cheapest house by a formal developer (HMA, 2012). Therefore, it is no surprise that many households resort to self-built, incremental housing that takes many years to complete or prefer rental accommodation, whereby over 60% of Dar es Salaam's residents are renters (HBS, 2020).

3.1 Affordable housing provision in Dar es Salaam – the Public Sector

The key player in public sector housing provision in Tanzania is the National Housing Corporation (NHC). Other public institutions that provide housing include pension agencies, such as the National Social Security Funds (NSSF), and Tanzania Building Agency (TBA). These do not meet the needs of low-income households. The NHC was established in 1962 to provide decent and affordable housing, breaking away from the colonial legacy of underserved African houses built of traditional material. Kironde (1995) describes how slum houses mostly made of mud-and-pole, were demolished during the 1960s and 1970s to give way to modern housing befitting a newly independent nation. The newly established NHC constructed about 8272 housing units during the post-independence period until 1972 which was only 32 percent of planned housing construction to compensate for the demolished hous-

es (Lugalla, 1995, Komu, 2011). Nevertheless, these were new, low-cost, affordable housing schemes targeting low-income families meant for renting as well as owning through tenant-purchase. The houses built were similar to the 'Swahili type' (Uswahilini) houses popular during that time namely a long spacious corridor with several rooms on the side with a back-door leading onto a courtyard where many household activities are done. The house matched peoples' incomes (one could rent a single room from the live-in-landlord), and their community values of kin-ship.

Despite these construction efforts, the NHC could not replace the houses that were demolished in the 1970s or meet future demand (Kironde, 1995). Furthermore, slum clearance and demolitions resulted in displacement of many households and disruption of critical livelihoods. The NHC is still the main public institution supplying housing to the public. However, the capacity, ability, or interest of NHS to construct low-cost, affordable housing has decreased over the years to less than 100 units nation-wide between 2007 and 2010 (HMS, 2012; Komu, 2011). In addition, the NHC has currently undergone institutional reforms that led to an increase in its participation in housing middle- and high-income groups, thus excluding a bigger part of the low-income population (Izar and Limbumba, 2020).

This is despite its national status as a public housing provider.

In 2019, the NHC built 1,164 commercial and residential properties for sale out of which 40% were defined as low-cost affordable housing. However, the lowest selling price was TZS 40 million (\$23,720), which is totally unaffordable even for a salaried lower-middle income household (CAHF, 2021). As the key public provider of housing, NHC has changed its vision to that of a master developer constructing houses that only salaried middle to high income earners can afford through mortgage facilities. While constrained resources and high building costs is often given as a reason by public housing agencies like the NHC to exclude low-income households as target consumers in housing schemes; it is questionable because even other prosperous African countries report the same limited performance (UN-Habitat, 2011). One may wonder if the challenge is financial constraints or a question of putting in place effective policy environments.

3.2 Options for affordable and adequate housing for low-income groups

Given the constraints mentioned above, two models of housing have proliferated in Dar es Salaam—self-help or self-built housing and rental

housing. While there are a variety of options the reduced government role in housing provision has resulted in fewer or no public housing opportunities for low-income persons and other vulnerable groups particularly women who may face more hardships accessing housing due to among other things low economic status', patriarchal attitudes and discriminatory laws and practices. Furthermore, low-incomes often compel them to live in environmentally poor locations sometimes risky to their family members.

Self-help housing

About 98% of housing in Dar es Salaam is self-built, including both owner-occupied and rental properties and the building process typically occurs incrementally over several years. The self-help housing construction process is flexible. Urban residents (both low and middle income) build and design the style and size with help from local artisans (fundis). Houses are constructed growing from a single room to stand-alone detached house mostly based on personal savings. The availability and flexibility of affordable land sizes in informal residential areas, further supports construction desires for many residents.

Since the government cannot meet the demand for affordable housing for

urban residents in Dar es Salaam; informal housing development and processes are largely tolerated (UN-Habitat, 2010). This tolerant approach represents a housing policy shift from the slum and squatter settlements clearance agenda that was subsequently followed by better housing provision in the 1960s-70s by the NHC. The moves were also, consistent with global changes in approaches towards addressing informal housing, whereby the government's role became that of an enabler of housing, rather than a provider. As an 'enabler', the government's policy moves from "direct provision of housing by governments to alternative approaches to housing development and improvement involving all stakeholders (including the public, private, academic and civil society actors) and, most importantly, people themselves" (UN-Habitat, 2012:10). As a result, the shift to self-built housing was encouraged in the spirit of self-help. This has resulted in many urban residents accessing land for shelter in affordable unplanned areas.

However, the conditions of informal settlements have always been wanting. If adequate and affordable housing is to be facilitated to develop in Dar es Salaam, then there needs to be an enabling policy environment that fosters supply of affordable land in attractive locations; flexible micro-financ-

ing mechanisms, and other inputs for housing development, all at prices and processes that match the everyday lives of low-income residents.

Despite the prevailing housing practice of self-building and management there are inherent risks in unguided construction residence in informal residential areas. The following adverse effects are known to occur in the city, at individual, household, or settlement levels:

- i. threats to safety of the residents due to poor environmental conditions due to lack of critical basic services;
- ii. flooding and destruction of lives and property during heavy rains in cases of severely poor locations;
- iii. demolitions and evictions often to give way to large infrastructural and other urban development projects because residents have encroached on road reserves, or land earmarked by the government for development;
- iv. increased hardships to women and children related to lack of clean water and proper sanitation facilities.

To date, large cities like Dar es Salaam provide much needed livelihood opportunities for many men and especially women, but urban housing is still a challenge. This is manifested in the persistent growth of informal settlements many of which are under-serviced. A look at the spatial evolution of informal housing areas reveals that housing in Dar es Salaam was largely developed on vacant land close to the Central Business District, industries, and institutions that are key employment centers (Hakuyu, 1995; Kombe and Kreibich, 2006). Other locations include vacant

land close to major roads. These areas meet the basic considerations of many low-income people, including affordable land prices, work, mobility, accessibility, and social and kinship connections, which are important for housing decisions among the urban poor in Dar es Salaam (Limbumba, 2010; Kironde, 1995).

Generally, models of housing are either rental housing or owner-occupier. The main categories within this typology available for marginalized groups are outlined below:

| S/N | Adequate and affordable housing options | Tenure | Remarks |
|-----|--|-------------------------|--|
| 1 | Shared accommodation with relative or friends | Rent free accommodation | Migrants coming into the city |
| 2 | Single or multi-room rentals in informal settlements | Tenant | Rents in hard-to-reach locations, or of poor housing are noticeably cheaper |
| 3 | Single or multi-room rentals in planned settlements | Tenant | Most dominant option for low-income groups |
| 4 | Detached dwelling in (informal) house | Tenant/homeowner | Often built incrementally to match incomes and therefore takes years, some households compelled to live in unfinished houses |
| 5 | Caretaker in unfinished house living for free | Rent free | Often poor households/ laborers who act as caretakers |

Table 1: Options for affordable and adequate housing for low-income groups
Source: Own modification from Tanzania Housing Market Survey, 2012

Rental housing

Renting comprises individuals or households (also called tenants) who pay an agreed sum of money regularly to a landlord who can be private individual, public or private institution (UN-Habitat, 2003). In Dar es Salaam for example, tenants pay an agreed amount of money (rent) either every month or a lump sum of 6-12 months' rent. It is common to have landlords demand 6 to 12 months' rent in advance often creating hardships for the tenant especially the poor who try to keep up with payments. For a long-time, the government has knowingly or unknowingly promoted homeownership subsequently giving rental housing a backstage. Since many urban poor rents, this has led to the marginalization of tenants (especially the very poor and elderly group) because the government does not prioritize rental housing and it is mostly left to private sector thus depriving poor social groups such as the women and the elderly to their rights to adequate and affordable housing. Anecdotal evidence indicates that the growing number of homeless elderly men and women for instance is testament to the rental or subsidized (social) housing problem.

To further indicate the states, focus on housing ownership at the expense of rental housing development, even the previous National Human Settlements

Policy of 2000 stated that "Building of rental housing by public institutions is an inefficient use of scarce resources. Building and selling of houses could generate more houses" (URT, 2000: Section 4.2.2.1-iv: 39). Indeed, the practice favored was to allow tenants to stay in public houses such as those built by NHC with a view to selling of the property should a buyer show interest thus further discriminating not only against rental housing development but also sitting tenants who cannot afford to buy the house. Furthermore, housing finance opportunities largely favor clients who desire to build own houses at affordable and manageable costs rather than flats or condominiums (NHSDP, 2018). Even the supply of land favored single plots that promoted homeownership. Yet, over 51% of urban residents in Dar es Salaam live in rental housing with the poorest in the city choosing to rent close to their workplaces even if the houses are of poor-quality. Areas with these qualities include Magomeni, Suna, Buguruni Mnyamani, and Kigogo. Private small-scale landlords provide different housing options for rent in Dar es Salaam both in formal and informal housing areas. The rent prices depend on the location, condition and amenities provided. The following table indicates tenants in Tanzania and the type of arrangements available.

| Type of rental arrangements | Tenure |
|---------------------------------------|--------------|
| Small-scale private households | 42.6 |
| Private houses rented by employer | 1.5 |
| Subsidized government housing | 1.7 |
| Free employer-based housing | 1.2 |
| Rent-paying in employer-based housing | 0.4 |
| Caretakers living for free | 5.0 |
| Owner-occupied | 47.6 |
| Total | 100.0 |

Table 2: Tenants in urban areas

Source: National Housing Policy, 2018 citing the Housing conditions, household amenities and assets monograph 2015

4. Critical Inputs that guarantee access to affordable and adequate housing

The Draft 2018 National Housing Policy defines adequate housing as; housing comprising security of tenure; availability of services, affordability, habitability; accessibility; location and cultural adequacy (URT, 2018:6). From the above definitions, it is apparent that there are

inputs or pre-requisites to adequate housing. This paper will discuss finance and lands since lack of these components have been shown to lead to informal housing.

Land

Land is a critical component and input to housing: without land there is no housing (see Felician Komu in this edition). The availability of land for housing construction engenders inclusion particularly if all groups (poor men and women) have access to it. Indeed, it is posited that “access to land remains one of the most pervasive binding constraints to realizing the right to adequate housing” (UN-Habitat, 2015: 15) The Tanzanian Draft National Housing Policy (Pg.38) recognizes land as an important component and calls for among other things the role of other players such as the private sector and NGOs in land supply to engender “fairness for citizen access”. The greatest challenge facing local authorities appears to be planning, surveying and ensuring the timely allocation of affordable serviced urban land in appropriate locations (Abwe, 2009). Appropriate locations translate to land that supports the livelihoods of marginalized groups in terms of access to livelihood opportunities, transport and basic services. When land for housing is in remote locations even though it may be affordable, it is

unattractive for low-income residents because transport costs, connectivity to jobs and other economic activities become a challenge (HMS, 2012). Most of the land in appropriate locations is in central locations that are deemed high value. The government and other housing developers often do not use this for affordable housing. However recent trends show densification projects such as the Magomeni high rise affordable housing targeted for salaried civil servants as well as former residents of the cleared houses.

Explanations as to why informal settlements and housing grow in Tanzania indicate land as an important element because informal land is available in negotiable plot sizes thus largely affordable compared to formally planned plots. However, some form of planning is desirable to safeguard public safety and ensure that space is provided for critical urban services. Densification and use of land in the inner city for vertical housing development to house the poor or the allocation of planned plots on the same reduces the spatial exclusion of poor urban residents.

Financing

Housing finance especially housing micro-finance is another critical input to promote access to affordable housing because it facilitates a portfolio of saving schemes that poor households

can use for housing construction and improvement (see Tumsifu Jonas Nnkya in this edition). For example, in 1972 the government established the Tanzania Housing Bank (THB) mandated to provide loans for housing construction. The bank however collapsed in 1995 having provided only 14,000 mortgages (Komu, 2011). Ever since then there has not been an institution for housing finance and it is only recently that private banks in Tanzania and an NGO-led housing micro-finance institutions (HMFI) are providing loans tailored to support the incremental process of housing development done by many poor households specifically for housing development (CAHF, 2021:234). HMFIs provide loans for land purchase, housing construction in stages as well as housing improvements.

Social Housing

Social housing is not prominent, but necessary to cater for the poorest who cannot afford or have accessing to housing for example the elderly, people-living-with HIV-AIDS; women facing domestic abuse and so on. Social housing is also a means towards social protection for individuals who fall into poverty. In Dar es Salaam, subsidized housing is provided by institutions such as the Social Welfare Department in the Ministry and other charitable organizations and Faith-Based-Organizations. Example of such facilities in-

clude MjiMwema for the elderly; SOS children villages for safeguarding orphaned children. However there needs to be a comprehensive policy to guide social or government assisted housing so that marginalized communities can have opportunities to adequate housing. With regards to social housing, it is a solution that addresses the housing needs of marginalized groups and the government including local authorities have an important role to play. The UN-Habitat (2003:6) while acknowledging its ambiguity defines social housing as:

“Housing that is developed by non-profit making institutions, predominantly for the poor. The institutions involved may range from educational institutions, through charities, to housing associations and cooperatives. However, sometimes the term is applied to all formal housing built for poor people, and sometimes to all kinds of housing built by non-profit organizations”

The Draft National Housing Policy (2018) highlights the importance of social housing and calls upon the government to provide a framework for the delivery of social housing as well as ensure that local government authorities

in collaboration with the NGOs play a key role in the provision of social housing. The challenge related to rental and social housing development is that it has a negative view among urban residents as it is often related to low-incomes thus inability to own a home.

5. Growing female-headed households in the city

The rate of female-headed households is steadily increasing in Dar es Salaam. In 2012 about 23% of households were headed by females (or women). In 2018, the number has increased to 29% (NBS, 2018). Women's access to affordable housing has improved considerably, with many state and non-state interventions in housing favoring women. For example, the 20,000 plot delivery project by the Ministry of Lands, Housing and Human Settlements Development (MLHHSD) allocated about 32% of the plots to women. Other ongoing formalization and regularization projects encourage co-titling—a process of including in property documents the female spouse's name.

There are several non-governmental organizations that focus on promoting women's access to affordable land and housing, such as Women Advancement Trust (WAT)-Human Settlements Trust and its credit facility WAT-Saccos.

The Centre for Community Initiatives (CCI) that enables women tenants to acquire housing for as little as TZS 4 million (about \$2,000), which is lower than average house in Dar es Salaam of TZS 40 million (about \$23,000). Despite the various responses, women still face intersecting challenges especially in the face of urban poverty due to multiple roles and identities. Many female-heads (old and young) tend to have larger families compared to men (HBS, 2012). They face more livelihood hardships during crisis, such as the COVID-19 pandemic, evictions, and demolitions. Furthermore, households headed by women in Tanzania are more likely to be persistently poor (Aikeli et al, 2021). Women suffer more when housing lacks the basic facilities, such as water, sanitation, and overall safety and security. Currently, gender considerations within government agencies are limited to mainstreaming gender issues in housing, but they often fail to understand how policies affect women's everyday lives. This can be achieved through an intersectional approach to gender that, for example, disaggregates data by gender age, ability/disability, sexuality, and ethnicity, since some ethnic groups more than others discriminate against women.

6. Recommendations

To promote and ensure access to affordable housing especially for marginalized groups, the government cannot abdicate responsibility and leave housing development to non-governmental actors like private sector developers and real estate companies who put profit first. Instead, I argue that the following actions could be taken to achieve these goals:

- (i) Lobby for the approval of the National Housing Policy (2018) that emphasizes the importance of housing in the country's social and economic development;
- (ii) Promote and encourage the view of housing as a holistic and integrated endeavor since improvement of housing leads to improvement of livelihoods;
- (iii) Creation of platforms or forums for a public conversation on housing with key actors to establish networks, build alliances and garner political will to address the housing agenda;
- (iv) By establishing a housing section in local authorities, the government in collaboration with municipalities should encour-

age/promote the participation of grassroots actors in housing development since they have innovative solutions;

(v) Where the government is involved in housing development it should ensure that it provides policy/regulations and guidelines that oblige and support real estate institutions (e.g. NHC, WHC) and other private sector housing developers to cater for affordable housing (rental or homeownership);

(vi) Build the political will to develop social housing in collaboration with other actors such as cooperatives, faith-based institutions and the local authorities; and

(vii) Continue to support but also guide and regulate community-led housing and informal settlements upgrading programs.

on those with low or unreliable incomes, who construct shelter over several years. Housing is expensive, and locations are often poorly suited to accommodate the everyday lives of Dar es Salaam's residents. As a result, poor households face social and spatial exclusion, especially those marginalized through intersectional gender identities. The quality of the physical environment is poor, often lacking basic services. Furthermore insecurity, poverty, livelihoods, and income uncertainties often threaten their well-being posing further hardships.

There is need for a more prominent government role in the provision of housing by visibly creating an enabling environment and policy framework for housing development, such as tax waivers on housing inputs. It should actively work with local authorities, grassroots actors, and non-government actors. Government needs to commit to ensuring that public agencies like the NHC develop or provide opportunities for affordable housing. A government level framework or institution to guide and coordinate these actions is important.

7. Conclusion

With over 90% of housing in Dar es Salaam being self-built, it is no wonder that some of this housing is unregulated and constructed in precarious locations. Self-built housing is promoted through explicit and implicit pressure

While several responses have been implemented to address affordability, adequacy, and marginalization, more needs to be done to ensure that all groups of urban residents have access to housing options that fit the realities

of their housing and livelihoods. For example, the noble intentions of CCI to address displaced tenants in the Kurasini demolition exercise and subsequent resettlement intervention still focused on enabling the renters to acquire homeownership, showing limited consideration for the value of rental markets to provide for people who struggle to acquire mortgages. Yet, there is segment of population, the poorest, who cannot afford to build or buy a house, and whose only option is to rent. The current Draft Policy (2018) promotes rental housing more so than the previous National Human Settlements Development Policy (2009). It also recognizes that tax incentives, regulatory reviews, and legislative reviews are key to promoting rental housing. The Draft Housing Policy, therefore, calls for the government to create an enabling environment and establish an appropriate regulatory framework for the delivery of good quality affordable rental housing. But government should go further by acknowledging that some subsidy or social protection mechanisms such as voluntary contribution schemes that can later cushion poor people's likelihood of falling into poverty especially in times of crisis for example loss of incomes among informal workers.

8. References

Abwe F. G (2009). Access to land for housing by the urban poor in Tanzania: A case of 20,000 plots project in Dar es Salaam city; Paper presented at the International Scientific Conference of Commonwealth Association of Surveying and Land Economy on Equitable Access to Land in Africa, June 29th-30th, 2009 at White Sands Hotel in Dar es Salaam City, Tanzania. www.casle.co.uk.

Aikeli J., Garcés- Urzainqui D. Mda-dila K. (2021). Understanding poverty dynamics and vulnerability in Tanzania: 2012– 2018, Review of Development Economics, John Wiley and Sons Ltd, DOI: 10.1111/rode.12829.

Bank of Tanzania (2012). The Tanzania Housing Market Study, Bank of Tanzania (BOT), <https://www.auhf.co.za/wp-content/uploads/2020/12/Day-1am-Mutero-1115-Presentation-CPCS-Tanzania-Housing-Market-2012-10-03-JM.pdf>.

Brennan, J.R. and Burton, A. (eds) (2007). 'The Emerging Metropolis: A history of Dar es Salaam, circa 1862-2000', in Dar es Salaam: histories from an emerging African metropolis. Dar es Salaam: Nairobi: Mkuki na Nyota Publishers; British Institute in Eastern Africa, pp. 13–75.

Chant, Sylvia (2013). Cities through a "gender lens": a golden "urban age" for women in the global South? SAGE Publications, 2013. Environment and Urbanization, Vol. 25, No. 1, April 2013, pp. 9-29.

Kironde, J. M. L. (1995). The Evolution of the Land Use Structure of Dar es Salaam 1890-1990: A Study in the Effects of Land Policy. Ph.D. Thesis, University of Nairobi, Kenya.

Kombe, W (2017). Institutional Reforms for Urban Land Use Planning and Management in Sub-Saharan Africa: Evidences, Gaps and Prospects, professorial inaugural lecture by Professor Wilbard Kombe at Ardhi University, Dar es Salaam.

Komu F. (2011). Housing Decay and Maintenance: The Case of Public Housing in Tanzania, PhD Thesis, Royal Institute of Technology (KTH), Stockholm, Sweden 2011, ISBN 978-91-978692-2-5.

Lugalla, J. (1995). Crisis, urbanization, and urban poverty in Tanzania: A study of urban poverty and survival politics, p. 248.

National Bureau of Statistics Tanzania (2019). The National Household Budget Survey 2018/19, <https://www.nbs.go.tz/index.php/en/census-surveys/poverty-indicators-statistics/house->

[hold-budget-survey-hbs/653-household-budget-survey-2017-18-tanzania-mainland-final-report](#)

Priscila Izar P. and Limbumba T. M. (2021). A matter of value: assessing the scope and effects of Tanzania's national housing corporation's development strategy on Dar es Salaam's urban neighborhoods, *International Journal of Urban Sciences*, Vol. 25 Issue sup1, 195-217, DOI: 10.1080/12265934.2020.1810105.

UN-Habitat (2003). The Challenge of Slums Global Report on Human Settlements, Earthscan Publications Ltd London and Sterling, VA.

UN-Habitat (2010). Citywide Action Plan for Upgrading Unplanned and Unserved Settlement in Dar es Salaam, Nairobi.

UN-Habitat (2012). Enabling Shelter Strategies: Design and Implementation Guide for Policymakers Quick Policy Guide Series - Volume 2 United Nations Human Settlements Programme (UN-HABITAT), Nairobi.

UN-Habitat (2015). Housing at the centre of the New Urban Agenda, Position Paper, October 2015, United Nations Human Settlements Programme.

United Republic of Tanzania (2014). United Republic of Tanzania. Basic Facts

and Figures on Human Settlements, 2012 Tanzania Mainland-June 2014.

United Republic of Tanzania (2015). Housing Condition, Household Amenities and Assets Monograph, 2012 Population and Housing Census, IV, 2015, National Bureau of Statistics.

United Republic of Tanzania (2018). The Draft National Housing Policy, Ministry of Lands, Housing and Human Settlements Development, Tanzania (Not yet approved by parliament).

United Republic of Tanzania (2020). The National Human Settlements Policy, Ministry of Lands and Human Settlements, Government Printers, Tanzania, <http://www.tzonline.org/pdf/national-humansettlements.pdf>.

World Bank (2020). Tanzania Mainland Poverty Assessment: Part 1 - Path to Poverty Reduction and Pro-Poor Growth. World Bank, Washington, DC.

Zhang J, Chen S. S., Gao Q., Shen Q., Kimirei I.A., and Mapunda D. W. (2020). Morphological Characteristics of Informal Settlements and Strategic Suggestions for Urban Sustainable Development in Tanzania: Dar es Salaam, Mwanza, and Kigoma, *Sustainability* 2020, 12, 3807; doi:10.3390/su12093807.

5

A multi-sector approach to housing in urban Tanzania

By Tim Ndezi



Photo: Stella Stephen

1. Introduction

The right to housing is recognized by many national constitutions, and the lack of adequate housing can have adverse consequences for an individual or a family. Access to adequate, safe, and affordable housing and basic services—as enshrined in UN Sustainable Development Goal 11—is essential for social welfare. The Sustainable Development Goals (SDGs) aim at universal access to housing, safe drinking water, and sanitation facilities, but these are far from being achieved. Improved access to basic amenities seems to be concentrated in higher income neighborhoods, or planned settlements, while poor households, or informal settlements, are considered as lacking services. Housing inequality is often the result of market forces, discrimination, and segregation (Sen, 2004). In developing countries, a number of factors, including rural-urban migration, increasing urban poverty and inequality, insecure tenure, and not least globalization (Pryce et al, 2009; Yinger, 1998; Huang Y. and L. Jiang. 2009) contribute to housing inequality.

Addressing housing inequality in Tanzania is a challenging endeavor that requires (i) changes in social perceptions to consider the housing needs of the urban poor; (ii) policies to address inequalities; and (iii) economic empow-

erment of communities, especially the urban poor, to acquire affordable housing. In all these respects, interventions in the housing sector would need to go beyond single sector interventions. A multi-sector approach to housing would integrate water and sanitation, health, and transport. However, achieving this is difficult because each sector is designed to function independently. So, changes are needed to both policies and the institutional framework. Finally, resources are needed in typically underfunded sectors to enable collaborative planning, implementation, and operation and maintenance. Indeed, this type of collaboration can be a successful pathway in implementing a strategy for housing provision.

2. Housing the urban poor in Tanzania

Dar es Salaam is the major business center in Tanzania, with an estimated population of 5.3 million people. About 70 percent of the population lives in informal settlements. Rapid growth has fueled the demand for housing and other infrastructure, meaning the current housing supply does not meet the demand. The majority of housing in Dar es Salaam is self-built with low income associated with a lack of capacity (skills, equipment, and capital) to implement better housing (see Tatu M. Limbum-

ba in this edition). Self-built houses are often unfinished in absence of financial resources. Others who could not build their own houses end up in rental housing, often in informal settlements. Subsequently, the demand for housing has been on the rise for some years. The 2018 draft Housing Policy indicates that there was a deficit of about 1.2 million housing units in Tanzania, with Dar es Salaam accounting for over a third of this deficit. Moreover, additional urban housing needs by 2025 are estimated to be nearly 1.9 million units.

Both the public and private sectors are involved in the supply of housing. While public authorities produce less, the private sector accounts for a large proportion of the total units built each year. About 90 percent of the housing stock has been self-built by individuals, often in areas without adequate infrastructure services. A substantial number of Tanzania's houses are built by informal developers, in unplanned settlements 70 percent of the urban population in Tanzania cities live in densely populated informal settlements.

3. Housing, public services and infrastructure

Water

The Dar es Salaam Water and Sanitation Authority (DAWASA), a public utility, largely draws its water from the Ruvu River, located about 80 kilometers from the city center, and serves an estimated 76 percent of the population through household water connections and public water kiosks connected to the network (Hoffman, 2020). In some settlements lacking utility provision, municipal councils and NGOs have established independent borehole schemes managed by local communities. Sanitation provisions in the city is challenging. With less than 12 percent of the population connected to underground sewers, most residents rely on pit latrines and septic tanks (Hoffman, 2020). This picture clearly demonstrates the acute shortage of water and sanitation services, particularly in informal settlements where most of the urban poor reside (Hoffman, 2020).

Solid waste management

Dar es Salaam has grown in population and land area, but there have been minimal efforts to establish sustainable solid waste management. Even though there is a waste management department at each Dar es Salaam municipal

council which is responsible for dealing with solid waste, waste management in informal settlements is inadequate (Liski et al, 2013). Some efforts have been made to improve solid waste management by engaging community-based organizations, although such services are now being contracted to the private sector who have the ability to transport the waste to the dumping site. The assessment studies undertaken by Kaseva and Mbuligwe in 2005 indicated that current solid waste generation in the city was estimated to be 2.425 tons per day. The 2005 study also noted that out of this total only 231 tons of waste generated is daily collected by municipalities and 592 tons of waste is collected by the private contractors. It was further estimated that 134 tons of waste produced daily is recycled (Kaseva and Mbuligwe, 2005).

Studies on solid waste management conducted by the Center for Community Initiatives (CCI) have realized the following challenges with solid waste management in informal settlements (CCI, 2021):

- Lack of appropriate waste management methods for informal settlements between the community management approaches and the private sector operation;
- Limited awareness of methods of collecting, disposing, and

treating waste in urban areas;

- Limited collection points, transfer stations, and sanitary landfills;
- Shortage of reliable vehicles for waste collection, waste haulage, and dumping of solid and liquid waste; and
- Inability of residents to meet refuse collection costs.

Transportation

Current public transport options in Dar es Salaam are provided by mini buses (*daladala*), motorized rickshaws (*bajaj*), motorcycle taxis (*bodaboda*), commuter trains, and the Kigamboni ferry connecting Kigamboni and the City Center. Daladalas hold about 40 passengers each, and there are approximately 5,200 privately owned daladala in the city (Mortan, et al, 2020). Bodabodas and bajajis provide on demand transportation within the city. Two commuter trains operate the morning and evening peak hours, carrying about 5,000 passengers per day. Private vehicles are also used on public roads by those who can afford to own and maintain them.

Access to affordable transport is critical for the urban poor, as it offers a way out of economic, social, and physical isolation. However, low-income communities are frequently located on the

outskirts of cities with poor roads access. Many of these roads are not accessible by large busses, but may be accessible to daladalas, bodabodas, and bajajis (Mortan et al, 2020). Indeed, the mobility of the poor is constrained by a poor road system, lack of income, lack of transport options and lack of funds to buy and maintain their own car. To address these challenges, the Government of Tanzania has initiated Bus Rapid Transport (BRT). Currently, the BRT has routes from the city center to Mbezi (in the northeast) via Kimara (central-to-northwest). It also offers routes through the central, mature, mixed formal and informal neighborhoods of the city, via a route from the CBD to Magomeni and Morocco. A new route is planned from the city center to Mbagala in the southeast through Magomeni. Despite of these initiatives still many people who have constructed their houses in the informal settlements face challenges of mobility to reach their homes and businesses.

4. A multi-sector approach to housing

Addressing housing inequality and adequate housing will require that the housing sector engages these other sectors. Sectors that should be included are water (DAWASA), health, transportation (including TANROADS), energy (TANESCO), and NGOs actively

engaged in urban services. The purpose of this is to ensure that these services are available to all settlements. There are only a few examples of multi-sector approaches to housing and infrastructure development in Tanzania. A multi-sector approach would provide the necessary framework to ensure that the Ministry of Lands, Housing and Human Settlement works with other ministries and departments to deliver proper public services. The Ministry of Lands should collaborate with the Local Government Authorities (LGAs) to ensure that appropriate and affordable lands are accessible to all. This could be achieved by ensuring that plots are provided with secure tenure. A multi-sector approach for housing should also embed considerations of poverty alleviation, environmental protection, and gender equality.

5. Strategies to apply multi-sector approaches: an assessment of the Chamazi Housing Project

The Chamazi Community Based Housing Scheme (CCBHS) was initiated in 2008 with the overall aim of providing affordable housing for communities in the Kurasisni area of Dar es Salaam, whose settlements were demolished as part of the Tanzanian Government port expansion project. The govern-

ment had a 10-year plan to expand the Dar es Salaam port, which involved evicting people and destroying homes from surrounding informal settlements in Kurasini. Before their eviction, community members formed a community association, called Tanzania Federation of the Urban Poor (TFUP), to find a permanent solution to provide housing to people facing eviction challenges in informal settlements. This community association ("Federation") started a community savings and loans scheme and set in motion the search for a location to resettle their community. Over time, the association saved enough money to buy a plot of land at Chamazi Ward, located in Temeke municipality. Federation members include both owners (20 percent) and tenants (80 percent). The government is only required by law to compensate structure owners and landlords, so many families affected by the eviction had not been compensated.

The main actors who initially were involved in the CCBHS were: Federation of the urban poor members who later formed Muungano Housing Cooperative, Temeke Municipality, the Ministry of Lands, CCI, Slum Dwellers International (SDI), and Homeless International. Agencies such as DAWASA, TANESCO and TANROADS were not present during the initial stage. But as people continued to relocate to the new area,

TANESCO provided electricity connection. Among its goals, the scheme intended to demonstrate effective collaboration and partnership between communities, the private sector, NGOs, and the government in planning, designing, and implementation of affordable housing schemes. The project also intended to support construction of housing units on land purchased by Federation communities in Chamazi. The members of the Federation who purchased the land later formed the Muungano Housing Cooperatives which is an institutional organ for ownership and management of their land. Currently, 25 houses are occupied and about 70 houses are at various stages under construction. The scheme is managed by the Muungano Housing Cooperatives (MHC) board (CCI, 2014).

Key collaborative activities implemented at Chamazi include:

- surveying land (Temeke Municipality and Ministry of Lands, Housing, and Human Settlement Development (MLHSD);
- developing a land master planning and housing design (local architects and MLHSD);
- training and orientation on affordable housing construction (Tanzania Urban Poor Federation,

and technicians);

- site preparation and mobilization of materials;
- building housing units;
- building the capacity of the Muungano Housing Cooperative to manage the construction processes; and
- improving loan repayment capacity.

project include the following:

- The majority of informal settlers are tenants, which means they often not compensated during relocations. Hence, future relocation projects should involve tenants in relocation planning and be required to compensate tenants.
- There is a need to consider affordable rental housing schemes as an alternative to housing ownership.
- Collaboration among actors in

Key lessons that were learnt out of this



Photo: Stella Stephen

the housing sector enabled the reduction of minimum plot sizes from 400 to 125 square meters, so that more housing units could be built by the Muungano Housing Cooperative. This was a request by the Federation and Muungano Housing Cooperative to the Ministry of Housing and Lands.

- Incremental housing construction—phased building over extended timeframes—is a good way to allow those with low incomes to build houses.
- Use a cooperative approach which provides an opportunity to collectively own land and jointly implement the housing project. The housing cooperative pools resources which makes housing more affordable.
- Livelihoods considerations affect the sustainability of the community, which means that community economic development is crucial for empowerment.
- However, building a strong collaboration across agencies is not easy. It requires appropriate institutional frameworks; policies and trust which allows integration and capacity building of actors to play their role.

- Building collaboration requires a memorandum of understanding with rules, roles and responsibilities to coordinate all actors.

6. Conclusion

Addressing housing inequalities in Dar-es-Salaam is a critical challenge. The multi-sector approach is proposed here to address this gap. Many urban poor people reside in informal settlements, where infrastructure is also poor, leading to inadequate housing. In most of the informal settlements, there is a lack of services—including water and sanitation, solid waste management, and transportation. Poor accessibility of roads in informal settlements leads to the urban poor spending more time travelling for work. Addressing housing inequality will require that the housing sector engages with other sectors. Failure to do so has contributed to inadequate and unequal urban housing in Tanzania.

However, drawn from infrastructure projects where a multi-sector approach was used, it stands to reason that the approach is viable for addressing housing inequality. There are also a number of critical issues for consideration. These include:

- appropriate institutional frameworks;

- policies which could allow formal integration of sectors;
- capacity building of actors to play their role in an integrated manner; and
- domestic resources mobilization, which could allow partners and actors to continue working together during the operation of the schemes.

Therefore, all actors mentioned including the Ministry of Lands and Housing, the municipality, the housing cooperative, utilities, and NGOs need to critically observe and examine these factors for enhancing sustainable multi-sector approach for addressing inequalities in housing. There is a need for formal integration of sectors and actors that influence housing outcomes in the design, implementation, and operation housing projects. This should be followed by capacity building of all actors mentioned above to build new work routines and balance their powers in their relationships through Memoranda of Understandings (MOUs). Finally, trust and resource mobilization from all actors should be established to ensure sustainability is achieved and monitoring of the initiatives is attained.

7. References

- CCI. 2014.** Mini-Evaluation for Chamazi Community Based Housing Scheme. Accessed 8/4/2022: https://letsgoto-chamazi.files.wordpress.com/2014/04/mid-review_final.pdf
- Huang Y. and L. Jiang. 2009.** Housing Inequality in Transitional Beijing. *International Journal of Urban and Regional Research*. 33(4): 936-956
- Kaseva, M. E. and Mbuligwe, S. E. 2005.** Appraisal of solid waste collection following private sector involvement in Dar es Salaam city, Tanzania. UCLAS Dar es Salaam.
- Kombe, W. Jackson. 1995.** Formal and Informal Land Management in Tanzania: The Case of Dar-Es-Salaam City. SPRING Center.
- Ministry of Land, Housing and Human Settlements Development.** National Housing Policy, Draft Version, June 2018.
- Morten, Melanie, Gharad Bryan, Bilal Siddiqi, and Clare Balboni. 2020.** Evaluating the Impacts of the Dar Es Salaam Bus Rapid Transit System. 2020th ed. International Initiative for Impact Evaluation (3ie). doi: 10.23846/DPW1IE110.
- Nyyssölä, Milla and Kelsall, Tim and Ndezi, Tim. 2021.** Dar es Salaam: City Scoping Study. African Cities Research Consortium [ACRC] https://www.african-cities.org/wp-content/uploads/2021/12/ACRC_Dar-es-Salaam_City-Scoping-Study.pdf
- Pryce, Gwilym, and Nigel Spriggs. 2009.** "Outlook for UK Housing and the Implications for Policy: Are We Reaping What We Have Sown?" *International Journal of Housing Markets and Analysis* 2(2):145–66. doi: 10.1108/17538270910963081.
- Sen, Amartya (2004).** "From Income Inequality to Economic Inequality," in C. Michael Henry (ed.) *Race, Poverty, and Domestic Policy*, pp. 59–82, New Haven and London: Yale University Press.
- Yhdego, M. 1999.** Urban Solid Waste Management in Tanzania Issues, Concepts and Challenges. Environment Resources Consultancy. Dar es Salaam, Tanzania.
- Yinger, John. 1998.** "Evidence on Discrimination in Consumer Markets." *Journal of Economic Perspectives* 12(2):23–40. doi: 10.1257/jep.12.2.23.

6

Financing affordable and adequate housing in Tanzania

By Tumsifu Jonas Nnkya



1. Introduction

Financing affordable and adequate housing in Tanzania is a daunting task given the low-income level of most households; increasingly high demand for affordable and adequate housing as rapid urbanization takes place; and ever rising construction costs leading to high housing cost. Housing financing as perceived in this paper covers more than mortgage finance and housing micro-finance. A wider perception of housing finance to include finance for physical and social infrastructure as well as access to land is adopted so as to capture initiatives towards financing affordable and adequate housing in the Tanzanian context. This wider conception of housing finance is also in line with perceiving housing as being more than a 'ready-made' shelter. It includes physical and social infrastructure to enhance livability and support livelihood activities in the housing areas. As conceived by the United Nations Human Settlements Programme (UN-Habitat) in the Habitat Agenda (UNCHS, 1996), housing adequacy takes into account affordability¹. However, affordability in relation to financing is more than ac-

cess to and the cost of housing finance. It is about the price of housing which reflects the costs of production and a function of supply and demand in the housing market.

This paper provides an account of housing finance in Tanzania in a changing political and economic context during the six decades after independence in December 1961. Within the changing context, the government persistently pursued policies for financing affordable and adequate housing; and promoted home ownership. Government efforts in the last decade have put in place an enabling regulatory framework and a market-based mortgage system, including a mortgage liquidity facility to grow a mortgage market, but so far, the prevailing market interest rates impede most households to afford housing mortgage. However, considering affordability as a function of housing price and financing (mortgage) cost, shortage of affordable housing units is a real present challenge to the growth of the mortgage market.

Self-financing and incremental construction dominates housing produc-

¹See the Habitat Agenda, 1996, as quoted also by the National Human Settlements Development Policy, 2000, "Adequate shelter, means more than a roof over ones head, it means adequate privacy, adequate space, physical accessibility, adequate security of tenure, structural stability and durability, adequate lighting, heating and ventilation, adequate basic infrastructure such as water, sanitation and waste management facilities, suitable environmental quality and health related factors and adequate and accessible location with regard to work and basic facilities, all of which should be available at an affordable cost" (UNCHS, 1996)

tion in urban Tanzania in the formal and informal areas where some of the houses are multi-family units that provide affordable rental rooms to low-income households. Government efforts to put in place a housing microfinance system apparently appropriate for the incremental self-built housing have not progressed as expected. If the Sustainable Development Goal 11 is to be achieved, the government in collaboration with the other housing stakeholders needs to do more towards financing affordable housing². This paper provides some perspectives on what should be done.

2. The provider approach (1961 – 1971)

Housing financing after Tanzania's independence in 1961 focused on social housing, eradication of slums and informal settlements, providing for civil and households with regular and stable income who normally may benefit from a mortgage system (UN-Habitat

2005; 2008). The Government established National Housing Corporation through the National Housing Corporation Act (1962) shortly after independence as the main provider of urban housing. Financed by the Government, the corporation implemented housing schemes for rental and outright sale or under the tenant-purchase (rent-to-buy) arrangement on land it acquired, and serviced for housing development³. During this first decade after independence, mortgage finance was provided by the First Permanent Building Society (FPBS) registered in Northern Rhodesia (i.e. Zambia since 1964), which also operated in other East African countries. The East African branches of FPBS were restructured in 1963 to form the First Permanent East Africa (FPEA) Ltd., with the shareholders being the East African countries of Kenya, Uganda, and Tanzania, and the Commonwealth Development Corporation (CDC). In 1968, the Government of Tanzania and the CDC took over the business of FPEA Ltd. and formed a new mortgage finance company—the Permanent Housing Finance

²By 2030, the Sustainable Development Goal (SDG) 11 require the government to ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums. Access to credit finance at affordable interest rates is key to enabling households and other stakeholders contribute to achieving SDG 11.

³The National Housing Corporation (NHC) was re-established by the National housing Corporation Act, 1990, specifying its new functions as stipulated in part II Section 4 (1) of the Act: "to provide or facilitate the provision of houses and other buildings for use by members of the public for residential, business, industrial or other purposes." (URT, 1990:21). Unlike in the initial NHC Act, 1962, housing financing does not explicitly appear. However, in line with its Strategic Plan 2010–2014, the corporation has been serving as a master developer of land for supplied to other real estate developers (NHC, 2010).

Company (PHFC) Ltd., which was later replaced by the Tanzania Housing Bank (THB). Besides directly funding housing construction by NHC, in 1963 the government established a Revolving Housing Loan Fund (RHLF) for civil servants to finance renovation of their homes. As it will be seen later, the Fund was put under the management of THB but hived out when the bank started experiencing problems. The Fund is currently managed by the Ministry of Lands, Housing and Human Settlements Development (MLHSD).

3. The enabling approach (1972 – 1985)

Building on the experiences of the 1960s, housing financing during the 1970s and the first half of the 1980s shifted to an enabling approach oriented toward state facilitation and targeted self-help. This was the period immediately after adoption of the Arusha Declaration (1967), the blueprint for socialist transformation which entailed, inter alia, nationalization of the major means of production, including privately owned banks and financial institutions. It also involved nationalization of buildings worth Sh. 100,000 (equivalent to US \$ 20,000) or more unoccupied by the owners⁴. The Build-

ings Acquisition Act 1971, which empowered the president to acquire such buildings, was amended in 1985 to remove the provision that empowered the president to acquire buildings and 20 years later, in 1991, it was repealed (URT, 1985, 1991). In the intervening period, most likely large-scale private sector investments in housing and real estate was stifled, contributing to housing shortages, notably for middle- and high-income households. Nationalization of private banks might have contributed to reduced availability of credit finance as THB became the sole housing mortgage lender as presented in the next section.

3.1 Housing credit availability under the state-controlled mortgage system

The Tanzania Housing Bank (THB) was established by the Act of Parliament No. 34 of 1972 and commenced housing finance operations in 1973. The main objectives of THB were: mobilization of local savings and external resources for housing development; promoting housing development by making technical and financial services for owner-occupied housing available; promote the use of local building materials to reduce building costs; administer any special funds placed at the

⁴In 1971, when the Building Acquisition Act was enacted, 1 US \$ was equivalent to approximately 5 Shillings.

disposal of the bank; and financing commercial and industrial buildings for carrying out activities related to housing. Being a government-owned bank, shareholders were the Government (46.5 percent share), the National Insurance Corporation (NIC, 30.2 percent share), and the National Provident Fund (NPF, 23.3 percent share). THB operated two specialized funds: the Special Forces Fund, and the Workers and Farmers Housing Development Fund (WFHDF). It issued two types of mortgage loans—commercial loans at 9 percent interest rate; and soft loans at 6 percent interest rate per annum for up to 25 years to help meet the needs of low-income households.

The WFHDF was established to provide low interest mortgage loans to workers and farmers in rural and urban areas, the source of funds being two percent levy charged on the wage bill of employers with more than 10 employees. By 1991, THB had financed about 36,000 housing units, but it was facing serious default problems that contributed to its official collapse in 1995 when it was declared bankrupt and liquidated by the Government (World Bank, 1974; UN-Habitat, 2002). Through Staff Circular No. 8 of 1992 the Revolving Housing Loan Fund (RHLF) for civil servants was hived out of THB and from 1993 continued to operate under the management of the Ministry of Lands, Housing and Human

Settlements Development. As of June 2014, the Fund had benefited 1,516 civil servants. Housing loans ranged between Sh. 3 million to 20 million, with an average value of Sh. 5 million; available at an interest rate of 3 percent per annum to be repaid before the recipient retired from public service (URT, 2013). The small size of the loans was partly due to inadequate funds available from the Government and low wages for civil servants. The 2010 Election Manifesto of the ruling Chama Cha Mapinduzi (CCM) party provided for transformation of the RHLF to a public servants housing loan guarantee scheme (URT, 2010), but that promise was not implemented.

3.2 Financing new serviced land for housing and informal settlements upgrading

As a way of benefiting low- and middle-income households with limited financial resources, in 1972 the Government adopted the sites and services and informal settlement upgrading approach. It was put in place to finance fully serviced new housing plots with roads and storm water drainage, electricity, water, schools, dispensaries and health centers and markets. The fully serviced sites were allocated to low-income earners, defined as those earning not more than Sh. 1,000 (equivalent to US \$ 140) monthly but not less than Sh.

750 (equivalent to US \$ 105) monthly at the time (World Bank, 1974)⁵. The serviced plots sites, whose location were strategically selected to ensure proximity to the upgraded settlements were also allocated to households displaced from the upgraded informal settlements, where space was needed for constructing new infrastructure and community facilities. Housing improvement and construction loans at an annual interest rate of 6 percent per annum were made available by the Tanzania Housing Bank. The availability of infrastructure in such areas was expected to stimulate and mobilize more housing investments, leading to increased quantity and improved quality of affordable housing. In a way, the settlement upgrading schemes directly benefited low-income households, but they also benefitted landlords in the upgraded settlements, who often used improved infrastructure and services to increase rents. Landlords also benefited from the increased land value and a lack of enforcement of development control, which allowed some of them to create more rental space in the upgraded settlements. Some of them, attracted by the enhanced land and property prices, sold their properties to well-to-

do property developers who have since redeveloped the bought properties for residential or commercial use or both in settlements such as Manzese where some properties along the main (Morogoro) road have and increasingly being redeveloped.

Infrastructure upgrading attracted investments and prompted land use intensification, creating more residential and commercial space, making the settlements more socially and economically vibrant for the benefit of the inhabitants, most of whom are low-income households⁶. Other informal settlement upgrading projects, aside from those implemented in the 1970s and 1980s include the Hanna Nassif community-based settlement upgrading project, which was implemented in the 1990s to demonstrate a multi-stakeholder partnership in financing infrastructure in informal settlements. Similar collaborative infrastructure financing projects were implemented in Dar es Salaam from 2003 to 2010, during which period infrastructure in 31 informal settlements were upgraded during phase one and two of the Community Infrastructure Upgrading Project (CIUP). Financing was credit from the World Bank (90

⁵In May 1974, when the appraisal of the first phase Sites and Services Project was carried by the World Bank, 1 US \$ was equivalent Sh. 7.14

⁶Evaluation of the Sites and Services Schemes in Tanzania shows that the low income beneficiaries were displaced by the middle and high-income households. This happened, partly due to a lack of corresponding schemes to cater for the housing needs of middle- and high-income earners, while there was also no housing for sale or rental to them (Nnkya, T. 1981).

percent), government contribution (5 percent) and beneficiary communities' contribution (5 percent) (URT, 2005). Similar housing infrastructure improvement in formal and informal initiative is being implemented under the Dar es Salaam Metropolitan Programme (DMDP) with funding borrowed by the Government from the World Bank.

4. The neo-liberal turn (1986 - 2022)

From 1986 the second phase government under President Ally Hassan Mwinyi, and subsequent governments, notably the third and fourth phase governments under Presidents Benjamin Mkapa and Jakaya Kikwete respectively implemented far reaching economic reforms and political transformations towards market economy and political pluralism to replace the hitherto socialist command economy under one-party political system (Maliyamkono and Bagwacha, 1990; Msambichaka et al., 2015; Mkapa, 2019). Economic reforms started in the first half of the 1980s with the Structural Adjustment Programs (SAP) introduced by the International Monetary Fund and the World Bank. Ultimately, financial liberalization, deregulation, and privatization led to rapid capital accumulation and rent-seeking activities. Some of the policies implemented from 1986 onward included downsizing the government.

Housing financing was addressed under the Second Generation Financial Sector Reform Program (SGFSRP). As reform of the banking and financial institutions sector had already taken place in the First Generation Financial Sector Reform Program (FGFSRP), the focus of (SGFSRP) was to create a private mortgage market and housing microfinance. The shift towards free market principles has resulted in investment opportunities and a buoyant property market. It profoundly altered, inter alia, the way interest in land is valued and taken into consideration in any transaction affecting that interest as presented in the next section. Subsequent to the shift in the land policy, financing and delivery of land for housing changed from the hitherto government allocation at almost no charge, to selling, so that at least land acquisition and preparation cost could be recovered. In terms of financing access to land for housing, the cost hitherto borne by the government, the shift to the market principles translated to government passing over access to housing land costs to developers, including low income households.

4.1 Financing access to un-serviced land for housing

In 1995, the Government endorsed the first ever comprehensive National Land Policy. The policy provides a framework for guiding land tenure, administration,

and management in the broader market economy. Among other things, the land policy promotes fundamental principles: “to ensure rights of long-standing occupation or use of land are clarified and secured by the law; ... to take into account that an interest in land has value and that value is taken into consideration in any transaction affecting that interest” (URT, 1995; 1999, p. 20).

The Land Act No. 4 (Cap. 113) was enacted by the Parliament in 1999 to provide legal instruments for implementing the land policy. Sub-Part 2 of the Act provides for regularization of interests in land to ensure the landholding rights of the occupiers are recognized and secured. Part 10 provides for mortgages, including foreclosure procedures. Through the Mortgage Financing (Special Provisions) Act (2008), various sections of the Land Act, Cap 113 were either repealed or amended to make the mortgage market work and therefore facilitate housing financing. Also amended for that purpose are the Land Registration Act, Cap. 334 and the Civil Procedure Act, Cap. 33, specifically to, among other things, enhance efficient registration and discharge of mortgages (URT, 2008). The Mortgage Financing (Special Provisions) Act did put in place a level ground for both lenders and borrowers so that the rights of both would be protected in the law (URT, 2008). As outlined below, housing financing has also benefited from

the reviewed Mortgage Regulations (URT, 2015)

Recognizing that housing development primarily depends on access to land, from 2002 to 2005 the Ministry of Finance loaned the Ministry of Lands, Housing, and Human Settlements Development (MLHSSD) Sh. 8.9 billion to finance land acquisition, planning and surveying of the land for housing in Dar es Salaam under the 20,000 plots project (see Felician Komu in this edition). The funds were thus used also to compensate land holders whose land was acquired by the government for the project. Unlike the new serviced sites schemes implemented in the 1970s and allocated by the government to the targeted low-income households as presented earlier, the 20,000 plots project did not target a particular group; and plots were sold un-serviced to would be developers. It was most likely assumed that servicing would make the plots more expensive and low-income households would afford to buy the high-density plots (450–600 square meters). Besides expenses of buying the un-serviced plot, the fact that location of the new un-serviced plots happened to be far away from employment areas would make them expensive for low income households to own or rent a house in the new sites. Almost two decades later, housing development and occupation of finished houses has been slow due to lack of,

and or inadequate basic infrastructure and services⁷.

4.2 Housing credit availability under the market-based mortgage system

Unlike the previous state-controlled mortgage system, the mortgage finance system established in 2009 is a market-based for reasons of avoiding previous mistakes, but also to ensure sustainability. The market-based mortgage system is informed by the fact that borrowing for investment in housing competes with other investments in the financial markets. In this regard, an optimally functioning mortgage finance system should be increasingly integrated into the larger financial system and based on savings mobilization and allocation at market interest rate. By keeping mortgage interest rates as close as possible to the market cost of funds, it is possible to secure appro-

priate levels of deposits. This, in turn, enables the mobilization of funds for lending, of which deposits are the main source. The housing mortgage system in Tanzania thus combines the market economy and the enabling approach, benefiting from the financial and banking sector reforms.

Determined to build and facilitate mortgage and housing financing markets in the country, from 2010 the government implemented a Housing Finance Project (HFP) comprised of three components: to develop a mortgage market; housing microfinance' and expand affordable housing supply. The objectives of the first and second components, which are of direct relevance to housing financing, were:⁸ (i) to develop the mortgage finance markets through the provision of medium- and long-term liquidity to mortgage lenders; and (ii) to develop access to medium-term affordable housing microfinance. The

⁷Upon recovering the loaned funds through selling of plots, the MLHHSD was allowed by the Ministry of Finance to use part of the proceeds to finance similar projects in other selected urban areas and regularize informal settlements in Dar es Salaam and Mwanza. Eventually, nearly 40,000 residential plots were available to the formal land market, making this land delivery the largest ever supply of land for housing after the sites and services scheme implemented in the 1970s. It was also the first time land for housing was delivered to potential developers at cost price and more important accompanied by a title deed that could serve as collateral for mortgage finance, if all other borrowing conditions demanded by mortgage lenders would be met.

⁸Other activities in the first component of work funded the initial TMRC activities, like public education on mortgage literacy; reviewing options for moving mortgages down-market; training and capacity building of primary mortgage lenders; reviewing mortgage regulations; and supporting a TMRC Bond issuance. The second component of the HFP was on housing microfinance: -conduct a housing microfinance market study; capacity building in housing microfinance; and establishment of a Housing Microfinance Fund (HMFF).

first component set up the Tanzania Mortgage Refinance Company (TMRC), including its legal framework. The Tanzania Mortgage Refinance Company (TMRC) was incorporated in 2010 as a non-deposit-taking private financing company designed to support mortgage lenders to bridge the gap between short-term deposits and long-term mortgage lending through whole sale or secondary market lending. These activities under TMRC are regulated by the Bank of Tanzania (BOT) and Capital Markets and Securities Authority (CMSA). At the time of its incorporation, TMRC had four shareholding members, but the number of stakeholders has increased to 17. Until recently, stakeholders were primary lending institutions. As of June 2022, two financial institutions, Shelter Afrique and International Finance Corporation (IFC), have joined TMRC shareholding from outside Tanzania. The National Housing Corporation is the only non-financial institution shareholder. TMRC commenced operations in 2011 as a mortgage refinance company, but as a way of supporting the growth of the mortgage market, in 2013 the company widened scope of its financing facilitation role to include pre-financing primary mortgage lenders.

In June 2016, the company opened up its financial facilitation to non-member, non-shareholder primary mortgage lenders to expand its customer base,

further enabling its catalytic role in the growth of the mortgage lending market. TMRC has successfully mobilized funds from the capital markets by issuing corporate bonds in 2018, 2019 and 2021 in line with its establishment objective and design as a liquidity facility for a market-based mortgage refinancing principle. Meanwhile, through the Bank of Tanzania, the government has continued to facilitate the company's re-financing and pre-financing activities with credit sourced from the funds borrowed from the World Bank by the Government (TMRC, 2021). TMRC refinancing and pre-financing is currently (2022) available to primary mortgage lenders at 7.5 percent and 8.5 percent to members and non-members, respectively. Prevailing lending interest rates are 15 to 19 percent, depending on the repayment period, whereby higher interest rates are charged for longer repayment periods. This huge margin, of 7.5 to 10.5 percent between the cost of funds sourced from TMRC and lending interest rates, appears to benefit the primary mortgage lenders, making mortgages expensive and unaffordable.

The housing mortgage lending business has attracted many banks. Whereas in 2010 only three banks were lending for housing acquisition (Azania Bank, Commercial Bank of Africa and Stanbic Bank), by March 2022 there were 32 commercial banks financing housing

through the mortgage system. Borrowers are enabled to purchase, construct, or improve their houses with loan terms up to 25 years. In 2011, the total lending for housing by the mortgage lenders was Sh. 76.73 billion, equivalent to US\$ 35.5 million. The outstanding mortgage debt as of 30 June 2022 had grown substantially to Sh. 510 billion, equivalent to US\$ 220.49 million. The ratio of outstanding mortgage debt as a proportion of the Gross Domestic Product (GDP) was 0.35 percent, significantly lower than that of other East African countries (TMRC, 2021; CAHF, 2018)⁹.

The revised Mortgage Finance Regulations (2015) were intended to enhance mortgage borrowers' affordability and grow the mortgage lending market. The revised regulations included four provisions that loosened the mortgage lending market. First, they ensured a reduced risk weight for computation of capital adequacy for housing mortgage loans from 100 to 50 percent. This allows each mortgage lender to double their lending capacity. Second, they raised the loan-to-value ratio (LTV) for mortgage loans, reducing the required down payment for borrowers. Third, they allowed acceptance of fixed deposit, government securities, and pension entitlement as equity when

seeking mortgage loans. Fourth, they extended the loan period for a mortgage loan from 20 to 25 years. Moreover, the Bank of Tanzania has licensed two Credit Reference Bureaus (CRB). The CRBs are facilitating primary mortgage lenders' access and share of potential borrowers' credit information during mortgage underwriting, thereby avoiding some credit risk.

The implementation of these measures indicates the government's determination to effectively play its enabling role in growing the mortgage lending market and increasing mortgage affordability so that mortgage finance reaches more households. Unaffordable interest rates; shortage of affordable and preferred housing type; the fact that potential borrowers would prefer to construct rather than purchasing a ready-made house while most primary mortgage lenders prefer to lend for house purchases rather than for house construction; complex and bureaucratic procedures involved in selling and processing unit titles for the units that serve as collateral are among the key challenges inhibiting the desired growth of the mortgage market. The availability of long-term funds through TMRC and an increasingly improved mortgage environment have also contributed to reduced interest rate, from

⁹The 2018 Africa Housing Finance Yearbook Showed outstanding mortgage debt as a proportion of the Gross Domestic Product (GDP) as follows: Rwanda 1.0 percent; Kenya 3.15 percent; and Uganda 2.5 percent (CAHF, 2018), all of which are many time greater than that of Tanzania.

over 20 percent to between 16 and 19 percent but unaffordable to many potential mortgage borrowers. So far, the government has addressed some of the supply-side obstacles, which have only succeeded in attracting primary mortgage lenders to participate in the mortgage market and helped to somehow reduce the interest rates, though they remain unaffordable. The government may also wish to consider demand side measures, like establishing a mortgage guarantee scheme or mortgage default insurance. These tools could be used to further reduce lending risk and subsequently contribute to lowering mortgage lending interest rates and enhance borrowers' affordability.

5. Credit availability through housing microfinance

Housing microfinance addresses a segment of the market that mortgage lenders are unwilling to serve - the approximately 70 percent of the urban residents who build incrementally. This group is ineligible for credit finance for

housing related investment from the mortgage finance system for various reasons, including the lack of regular and verified income, as well as a lack of collateral (UN-Habitat, 2008). My 2006 study on housing conditions, borrowing and lending for that group of urban residents in three informal settlements in Dar es Salaam shows that households self-financed their incrementally constructed houses. Sources of finance were mainly savings, sale of assets, support received from family members, relatives and friends. However, it was established that if institutional loans were available, 87 percent of the households would borrow to finance their house construction. Majority of them (77 percent) would borrow sums not exceeding Sh. 10 million, equivalent to US \$ 8,000 to finance house construction (Nnkya and Lerise, 2007)¹⁰. However, as majority households (65 per cent) were engaged in the informal sector, earning irregular income; and most of them had no title deed (44 percent had a five years residential license); the appropriate source of institutional credit would be housing microfinance¹¹

¹⁰The case studies were purposely selected from among the informal settlements ; Mwanya-malama, Buguruni and Changarawe located in the Dar es Salaam City's three municipalities; Kinondoni, Ilala and Temeke respectively.

¹¹UN-Habitat establishes that housing microfinance institutions (MFIs) offer small loans ranging from \$1,000 to \$5,000 (UN-Habitat, 2008). Loan terms are between one and eight years, but mostly at the lower end of this range. Security conditions demanded by the lender vary depending on local circumstances. They may be like those demanded for enterprise loans, such as group guarantees, para-legal documents to the property, or other non-mortgage collateral.

According to the 2015 housing market study, Tanzania has a relatively well-developed microfinance sector¹², consisting of both local and international microfinance institutions (MFIs) (URT, 2015). However, only a few of these provide microfinance products for housing construction or improvement, as well as related housing infrastructure and services. The existence of microfinance institutions outside of the housing market presents enormous potential for this strategy to penetrate housing lending in the future, though efforts specifically designed to use microfinance in the housing sector are just getting started.

Microfinance for housing was a component of the Housing Finance Project (HFP) through which the government decided to develop a housing microfinance market, starting with a Housing Microfinance Fund. The Housing Micro-Finance Fund (HMFF) was es-

tablished in April 2014 through the Public Finance (Housing Microfinance Fund Establishment) Order, 2014. The HMFF was intended to provide liquidity to Housing Microfinance Institutions (HMFIs) for lending with favorable terms to low-income households who cannot access the traditional mortgage loans. The HMFF's other role would be to provide technical support to borrowers and build the capacity of MFIs to manage housing microloans, underwrite mortgages, and manage risk for such products. The HMFF was financed under the HFP to the tune of US \$18 million. Section 8 of the Public Finance (Housing Microfinance Fund Establishment) Order, 2014 provides for other potential sources of funding; the national budget, loans from development partners and financial institutions, grants, and donations.

Management of the fund is still under the Bank of Tanzania (BOT) though the

¹²The existing MFIs fall into three categories: (i) commercial banks (ii) financial institutions licensed by the Bank of Tanzania (BOT); and (iii) institutions or organizations that do not require licensing by BOT. These include non-governmental organizations (NGOs) type and member-based organizations such as savings and credit cooperative societies (SACCOs), which are registered under the Cooperatives Act (2003). Commercial banks offering wholesale and retail microloans include the National Microfinance Bank (NMB) Plc., CRDB Bank Plc., DCB Bank Plc., and Akiba Commercial Bank Ltd. The first two have branches all over the country. The housing market study established that personal loans taken from banks are used for construction or improvement of housing. Likewise, some funds borrowed specifically for microenterprises are also used for housing (URT, 2015).

These include WAT-Human Settlements Trust SACCO, Habitat for Humanity, Victoria SACCO, Presidential Trust Fund and Gatsby Trust. The last two provide housing microfinance for rural housing. Another NGO, Centre for Community Initiatives (CCI), do not provide housing microfinance services but mobilizes financial resources to support housing for the urban poor households. CCI is in turn supported by Homeless International and a United Kingdom based NGO.

initial idea was to hive it out after the first five years (2014–2019), and function as an autonomous Fund under the Ministry of Finance. As of June 2022, the Fund is still being managed by BOT. Institutionalized microfinance for housing is new in this country, and so there is limited technical capacity and awareness. The HMFF was expected to build housing microfinance capacity, but it is yet to be seen how much that has taken place. Enhanced capacity is desperately needed to address the high demand for microfinance in Tanzania. It has been argued that housing microfinance is a window for the majority of potential homeowners, so deliberate efforts are needed to make housing microfinance work effectively. Microfinance for housing represents a business opportunity for the private sector, particularly for institutions participating in microfinance for microenterprises, whose scope of lending could be swiftly increased with additional technical capacity in housing micro-financing.

6. Conclusions

(1) The enabling approach has placed much of the burden for housing development on the households while the government by design remains an enabler. Now, nearly half a century later, this relationship between the gov-

ernment and households in housing development has become a convenient tradition, which has left housing development concerns diffused in national development plans and budgets. Housing development is under the Ministry responsible for land development, a sector pervaded by far-reaching land administration disputes that have dominated debates in the Parliament and preoccupied those responsible for the sector at the expense of housing development concerns. Consequently, housing receives inadequate attention at policy level, and in the national development planning and budgeting. There is no doubt that the enabling approach is consistent with the requirements of the market economy, but this approach overlooks the very low-income households, who are being compelled to be homeowners by the home ownership policy pursued under the enabling approach. Extent to which the government has delivered on its enabling role, the form enabling has taken and implications for making affordable housing available are questions that beg answers if the Sustainable Development Goal 11 is to be achieved.

(2) The self-financed incremental housing construction practice represents a huge potential for housing microfinance market. The Government has taken some steps to support this process; establishment of the Housing

Microfinance Fund (HMFF) as a stepping stone towards housing microfinance system is one such supportive measure. However, the use of the facility and progress made towards the end goal suggests that something is getting in the way of establishing and growing the housing microfinance system in Tanzania. This calls for research to identify impediments which should be addressed to pave the way for this strategy (housing microfinance) to flourish.

(3) The mortgage loans terms in Tanzania do not reflect the government's efforts to create an enabling environment for mortgage lending. Financial facilitation by the Tanzania Mortgage Refinance Company (TMRC) appears to have had limited impact on mortgage lending interest rates, housing affordability, and the expected growth of the housing mortgage system in Tanzania. However, longer tenures for mortgage loans offered by banks reduce a borrower's monthly repayment obligation and so enabling more borrowers to qualify for the loans based on their incomes. Unaffordable mortgage interest rates have contributed to reduced housing affordability which in turn restrains primary mortgage lenders' business, as fewer houses are built by real estate developers. The few houses being produced cater only for the middle- and high-income earners, leading in turn to a housing

shortage driving up the price of housing. The shortage of housing is also a result of the subsistence (building primarily for own consumption) housing production character of the housing market in Tanzania.

(4) To make the mortgage loans benefit low- and middle-income households, banks should consider reducing their profit margin and risk premium to reciprocate the government's measures to address the circumstances contributing to mortgage lending potential risks as earlier explained. Moreover, the government subsidized financing through TMRC, which has attracted housing mortgage lenders to participate in the lending market, should positively impact the mortgage lending rates. Banks could also design mortgages to suit the employment and income realities or and everyday realities of low-income households, rather than expecting them to meet the requirements of conventional mortgages.

(5) The Revolving Housing Loan Fund (RHLF) for public servants has inadequately benefited the targeted group of beneficiaries due to various reasons to include limited funds. Transforming this Fund and similar housing funds for selected groups to include the Presidential Trust Fund into a Housing Loan Guarantee Scheme (HLGS) would be a strategic move to facilitate access to more credit finance from mortgage

and micro-finance lenders at affordable interest rate.

(6) Financing of physical infrastructure and social services in informal settlements has a wider positive impact on low-income households. This is because many small investments in incremental housing in these areas add up to a huge sum and contribute a majority of housing for low-income households. Settlement upgrading should be among the approaches towards making affordable housing available.

7. Policy recommendations

Financing affordable housing in Dar es Salaam may entail the following:

1) Building housing microfinance capacity, promoting housing savings schemes, establishing housing loans guarantee scheme, and supporting growth of a secondary mortgage market: The government needs to facilitate institutional and technical capacity building for housing microfinance and ensure growth of the housing microfinance market to cater for the many houses under incremental construction. This should go hand-in-hand with deliberate efforts to establish housing savings schemes, and housing loans guarantee scheme. A housing loan guarantee scheme would enhance affordability by covering lenders default

risk. The government needs to build on its investment to facilitate TMRC to grow into a secondary mortgage market. This may entail removing withholding tax on TMRC bond to make it more attractive to investors and enable the company to raise sufficient funds from the capital markets. TMRC may also be publicly supported to issue mortgage-backed securities (MBS) guaranteed by the government. Such bonds would ensure adequate and affordable capital for primary mortgage lenders.

2) Prioritization of infrastructure provision for improved living conditions, affordable owner-occupied and rental housing for low-income households in formal and informal settlements: Prioritization of infrastructure provision in the existing informal settlements is one strategic option for promoting affordable housing, as this would complement household investments in incremental housing. In the process of facilitating affordable owner-occupied and rental housing, development regulations should be enforced to benefit tenants but without adversely affecting landlords' profitability. In time, some of the property owners to include landlords may become large scale providers of affordable and safe rental housing and enhance the much-needed capacity to implement large scale affordable rental housing schemes. Hand in hand, the government needs to provide new surveyed and serviced sites to facilitate

housing construction by households and real estate developers, and reduce housing cost. Infrastructure and services provision need not be done uniformly. It can be differentiated according to the affordability of the targeted group but with provision for upgrading as both household affordability and government's capacity improves.

3) Infrastructure and private sector financing are needed to address the increasing demand for housing; reduce the burden on public sector resources while benefiting from the operational efficiency and technology of the private sector: Incentives to attract the private sector to invest in housing may include allocation of serviced land at cost for the construction of housing at specified standards and price ranges. Other incentives may include waiving the value added tax on the sale price of housing sold to targeted groups. The government may also encourage public housing agencies—NHC, Tanzania Building Agency (TBA) and Watumishi Housing Company WHC—to enter partnerships with the private sector. The private sector may provide elements missing from the public housing agencies, such as financial resources, expertise, technology, and a culture of efficiency. The private sector could benefit from increased security of their investments by working with public agencies.

8. References

Gardner, D. (2008) Housing Microfinance in South Africa: Status, challenges and prospects, Fin Mark Trust and HIVOS Foundation

Maliyamkono, T. & Bagwacwa, M. (1990) The Second Economy in Tanzania, James Currey, London Press,

Mkapa, B. (2019) My Life My Purpose; A Tanzanian President Remembers, Mkuki na Nyota Publishers, Dar es Salaam

Msambichaka, L, Mduma, J. Selejio, O and Mashindano, O (2015) How can Tanzania move: From Poverty to Prosperity, Dar es Salaam University Press

Mutagwaba, H. (2002) Establishing a Market-based Housing Finance System in Tanzania: Challenges and Opportunities, in Financing Adequate Shelter for All: Addressing the Housing Finance Problem in Developing Countries, UN-Habitat, Nairobi

National Housing Corporation (2010) Mpango Mkakati (2010/11 – 2014/15)

Nnkya, (2004) The Sustainable Cities Programme in Tanzania 1992 – 2003, Documentation for UN-Habitat and UNEP

Nnkya, T. (1981) Successes and Failures of Sites and Services and Squatter Upgrading in Dar es Salaam, The Swedish State Building Research, Meddelande, Stockholm

Nnkya, T. (2003) Review of the Squatter Settlement Upgrading Project in Tanzania, Working paper prepared for CIUP

Nnkya, T. and Lerise, F. (2007) Housing Conditions, Borrowing and Lending in Informal Settlements in Dar es Salaam, AUHF/Cities Alliance/USID

Tanzania Mortgage Refinance Company (2022) Tanzania Mortgage Update, August 22, 2021

UN-HABITAT (2005) Global Report on Human Settlements 2005: Financing Urban Shelter, UN-Habitat, Nairobi

UN-HABITAT (2008) Housing for All, The Challenges of Affordability, Accessibility and Sustainability, UN-Habitat, Nairobi

UN-HABITAT (n.d.) Re-establishing Effective Housing Finance Mechanisms in Tanzania: The Potentials and Bottlenecks, UN-Habitat, Nairobi

United Nations Centre for Human Settlements (1996) The Habitat Agenda: Goal and Principles, Commitments

and Global Action

United Republic of Tanzania (1971)

The Building Acquisition Act 1971

United Republic of Tanzania (1990)

The National Housing Act, 1990

United Republic of Tanzania (2008)

Mortgage Finance (Special Provisions) Act, 2008, Government Printer, Dar es Salaam

United Republic of Tanzania (2010)

20,000 Plots Project Report

United Republic of Tanzania (2010)

Ilani ya Uchaguzi ya CCM 2010, Dar es Salaam

United Republic of Tanzania (2013)

Assessment of the Revolving Housing Loan Fund: Challenges and Opportunities (Internal Working Report)

United Republic of Tanzania (2013)

Housing Microfinance Fund Concept Paper (BOT)

United Republic of Tanzania (2013)

Public Servants Housing Scheme: Concept Paper (Internal Working Paper)

United Republic of Tanzania (2015)

Housing Market Study – Tanzania, Final report

United Republic of Tanzania (2015)

Mortgage Finance Regulations for Banks and Financial Institutions

United Republic of Tanzania (2017)

Progress Report for the Implementation of the Housing Finance Project (BOT)

Building the Just City in Tanzania

Essays on Urban Housing



JUSTCITY



Tanzania Office