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# Access to shelter and services for low-income groups: lessons from Hawassa, Mogadishu and Nairobi on the politics of informal settlements and shelter access

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Synthesis report

## Author information

This report was written by:  
Lucy Earle, principal researcher in IIED's Human Settlements Group, [lucy.earle@iied.org](mailto:lucy.earle@iied.org)  
Emma Grant, senior consultant, Social Development Direct

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Hawassa: Yeraswork Admassie, Meheret Ayenew, Gemechu Desta, Faraz Hassan, Sophie Stevens, Kussia Bekele

Mogadishu: Erik Bryld, Charlotte Bonnet, Mohamed A. Mohamoud, Christine Kamau

Nairobi: Jack Makau, Baraka Mwau, Alice Sverdlik

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International Institute for Environment and Development  
80-86 Gray's Inn Road, London WC1X 8NH, UK  
Tel: +44 (0)20 3463 7399  
[www.iied.org](http://www.iied.org)

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## Acronyms and abbreviations

<b>AMT</b>	Akiba Mashinani Trust, Kenya
<b>DFID</b>	UK Department for International Development
<b>EARF</b>	East Africa Research Fund
<b>ID</b>	Identity document
<b>IDP</b>	Internally displaced person
<b>IFC</b>	International Finance Corporation
<b>ISM</b>	Informal settlement manager
<b>Muongano</b>	Muongano wa Wanavijiji, the Kenyan homeless people's federation
<b>PLWDs</b>	People living with disabilities
<b>SACCO</b>	Savings and credit cooperative organisation
<b>SDI</b>	Slum/Shack Dwellers International
<b>SPA</b>	Special planning area

## Summary

This report provides a synthesis of key findings and lessons from a three-city study on access to shelter and basic services for low-income groups in East Africa (Nairobi, Kenya; Mogadishu, Somalia; and Hawassa, Ethiopia). Guided by political economy analysis, this paper sets out some key lessons for agencies operating in cities, highlighting why and how city dwellers make certain shelter choices, and provides suggestions on how to respond.

### **Informal institutions and actors are key to shaping how and whether people access shelter.**

The complex nature of informality may serve both to **enable** as well as to **limit** choices and opportunities for low-income groups. The huge demand for shelter and the inability of the national or local state to meet these demands have driven the growth of informal settlements and generated entire industries that both maintain and exploit vulnerable populations.

### **The ‘urban poor’ are not homogenous — risks and barriers vary between individuals and households.**

Low-income groups in general face the greatest challenges in accessing decent housing, but groups including women, people living with disabilities and in some cases young men experience more acute challenges and additional barriers to accessing shelter on the basis of their identity.

### **Other forms of identity are important — particularly ethnicity and migration status.**

In Mogadishu, an intricate hierarchy of clans strongly influences the spatial distribution of population, security of tenure, urban development and evictions. Hawassa has experienced insecurity relating to disputes over land ownership and ethnic tensions. Nairobi has a long history of politicised land deals and irregular land allocations, which have often been driven by Kenya’s ethnic politics.

### **Housing options for low-income groups are underexplored and better rental regulation is needed.**

Rental housing is underexplored as the most appropriate option for low-income groups, and a lack of regulation contributes to poor-quality housing and exploitation of tenants. The high cost of land and property creates informal rental markets. The relative absence of regulation and protection mechanisms for renters has fostered severe tenure insecurity and exploitation in the rest of the market, especially among poorer socioeconomic groups.

### **Poorly handled evictions can cause long-term vulnerability and undermine trust in government.**

Evictions are a common feature of all three cities in the study. Forced evictions are exacerbating the vulnerabilities of affected households, usually entailing costs for households, including the loss of livelihoods and social networks.

### **‘Affordable’ housing is often inaccessible — new options for affordable finance are needed.**

Housing classed as ‘affordable’ is often beyond the means of the majority of city dwellers – a re-evaluation of ‘affordable housing’ is needed alongside new approaches to affordable finance for housing and land. The ability of the lowest-income groups to access formal housing was extremely limited across all three cases. Previous attempts at affordable housing have been captured by the middle classes. Across all three cities, mortgage finance for low- and middle-income groups is highly constrained.

### **Empowered and organised civil society working with city governments can improve low-income housing at scale.**

With support, local actors can respond to their particular needs and priorities. Government funding to support community-directed upgrading or household and community plot purchase and house development can widen the scope of what low-income households and communities are able to achieve.

### **National political settlements frame city decision making, but other local and regional factors – and competing interests — must also be understood.**

The ‘visions’ held by national-level politicians have a significant impact on urban policy and programmes. Subsequent changes in urban infrastructure, services and form will intersect with city-level politics, and may have an impact on local stability and security.

# 1 Introduction

In East African cities, as elsewhere in the Global South, most housing is built informally. It does not conform with rules and regulations governing buildings and land-use (Napier et al. 2013, UN-Habitat 2016). Urban land markets are heavily influenced by what local government does (or fails to do), including the rules governing land tenure, sale and use — and the extent to which these rules are applied and for whom they are enforced. If the supply of legal housing and land for housing fails to provide for much of the population, a vibrant informal land and housing market will develop (World Bank 2015). But most informal housing options in sub-Saharan African cities are poor quality. Structures are often illegal or located on sites that lack basic services and are occupied or built upon illegally (ibid).<sup>1</sup> More broadly, sub-Saharan Africa's housing markets “suffer from inadequate and uncoordinated housing policies [...] Land ownership is often unclear, and legalisations of settlements are disputed” (AfDB 2016: 173–4). There is also a mismatch in many African cities between the physical concentration of economic opportunities (and the related high demand for urban land) and the availability of affordable, adequate housing (Lall et al. 2017).

The cities in this study are Nairobi, Kenya; Mogadishu, Somalia; and Hawassa, Ethiopia. This is not a comparative study, and the cities were individually selected based on their particularities and relevance to UK government policy and investment.<sup>2</sup> Yet these very different cities, in vastly different political and economic contexts, can provide valuable insights into more general challenges and opportunities associated with rapid urbanisation in the Global South. This paper sets out key lessons for agencies operating in cities, highlighting why and how city dwellers make certain shelter choices, with suggestions on how to respond. Common challenges in the three cities include low-quality housing, poor basic service delivery and major barriers in shelter access. There is a need to better understand the nuances of urban systems and to develop more inclusive, joined-up shelter strategies. The lessons presented here are of critical relevance to donors, policymakers and other stakeholders working in urban developmental contexts.

## 1.1 Approach

Much research in East African cities approaches low-income housing issues as a technical problem (resulting from rapid urbanisation, land shortages and dysfunctional urban land markets). Instead, our research followed an analytical framework emphasising the underlying political, social and economic factors that drive how markets for land, housing and services are evolving in the three cities. The framework was guided by (gendered) political economy analysis, including consideration of formal and informal politics. In particular, we examined how low-income households and communities are marginalised from or incorporated into a city's politics and how this influences their access to land, shelter and basic services. By this, we mean their relations with politicians, civil servants and other

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<sup>1</sup> The term ‘informal settlement’ refers to urban settlements or neighbourhoods that have developed outside the formal system for recording land ownership, and that do not meet a range of regulations relating to planning and land use, building codes or health and safety. There is a large spectrum of informal settlements that includes illegal subdivisions that are not on illegally occupied land and that often have regular layouts so trunk infrastructure can be brought in. They are illegal in that they were built without official permission, but they are generally of better quality than settlements that occupy land illegally and face less threat of eviction as land ownership is not contested. It may be common for middle- or even higher-income households to resort to these. Although the terms ‘slums’ and ‘informal settlements’ are used interchangeably, they are not the same. Definitions of informal settlements are based on contraventions of specific laws, rules and regulations. Definitions of slums are usually based around measures of housing quality, the adequacy of service provision and overcrowding. In the three cities, much of the population of informal settlements also meet the criteria for the definition for slum households — but there are informal settlements that are not slums and slums that are not informal settlements (eg deteriorated public housing and poor-quality private-sector tenement buildings).

<sup>2</sup> DFID country offices were consulted about the geographic focus for EARF-funded cities research and provided a shortlist of cities of particular interest. The final selection of our three cities was drawn from that list.

actors in land and housing markets (formal and informal) who have power over the provision of shelter and services.

By exploring the systems that men and women must navigate to find a room to rent or to acquire land on which to build housing, and to get electricity, water and sanitation services, we also show how residents' identity or status may influence both access to and the standard of shelter and services they receive. Our research framework acknowledges the multiplicity of sources of power, and the understanding that status may not be aligned simply with wealth and income. Our analysis is thus rooted in a sociological analysis of power (Mitlin forthcoming).

The field research took place in 2018–2019. Fieldwork drew on a shared methodology that included key informant interviews and focus group discussions with a wide range of stakeholders, including national government, municipal authorities, financial actors, local leaders and civil society, brokers and developers, and local community members. This was supplemented with additional city-specific methods such as market surveys or social mapping, selected to fill data gaps or for context-specific reasons. More details on methodology can be found in the [project summary report](#).

## 2 Lessons

### 2.1 Informal institutions and actors are key to shaping how and whether people access shelter

Informality is woven into the political economy, livelihoods and housing markets in African cities, making it essential to analyse the politics of informality (Hansen and Vaa 2004, Bekker and Fourchard 2013). Inappropriate plans, policies, laws and regulations significantly contribute to generating informality in African cities, producing social and spatial exclusion (Watson 2009, Pieterse and Parnell 2014). Informality strongly shapes the lives and livelihoods of residents of the cities covered by this project, including the modes by which they access shelter.

While formal and informal institutions — or “rules of the game” (North 1990) — vary in each city, our research highlighted the complexity of informality. It can both **enable** and **limit** choices and opportunities for low-income groups (Banks et al. 2019). Informal actors and systems support the most basic of human needs and can be critical providers of services, where formal institutions are not functioning and the state's capacity to deliver policy or enforce rules is weak. Millions of people choose, or are forced, to live on land that is illegally subdivided and often irregularly occupied, in structures and on plots that contravene building and zoning codes and that they most likely rent without formal agreements. They buy water and other basic services from informal providers, use informal transport (Goodfellow 2015) and often work in the informal economy.

The critical role played by informal housing and service providers is perhaps most apparent in Mogadishu. The inability of the national or local state to meet the shelter and security needs of the city's most vulnerable residents has generated an entire industry that both maintains and exploits these populations. Known as ‘gatekeepers’ or informal settlement managers (ISMs), these individuals negotiate access to plots from local landlords or chieftaincies and then facilitate access to shelter, principally for internally displaced persons (IDPs) but also for long-term urban poor residents, refugees and returnees. ISMs provide land, security and basic services — for a fee. They have established themselves as unavoidable actors in relation to aid delivery to IDPs, positioning themselves as intermediaries between the displaced and external actors, including the local government and the humanitarian community. As such, ISMs are an informal power structure which provides protection and services (usually of very poor quality) that formal power holders — in this case, the federal government of Somalia — cannot provide. There were approximately 140 gatekeepers in Mogadishu in 2017 operating outside formal accountability systems — in some cases, leading to the abuse and exploitation of IDPs.<sup>3</sup> The Mogadishu case makes clear that informal spaces are rarely ‘ungoverned’. Some

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<sup>3</sup> This number is expected to have increased with the influx of new IDPs in 2018 and 2019, in particular in the new Kaxda district.

informal settlements may be beyond the control of municipal or national government, but they are not 'lawless'. Instead, they are closely regulated by informal actors.

Huge demand for shelter has also driven the growth of informal settlements in Hawassa, despite very clear signals from government that areas illegally settled after 2011 are at risk of demolition without compensation. Their appeal often rests on their location. Residents can easily access informal markets to sell goods or travel cheaply to other places of employment or income generation. They are also an alternative to formal settlement areas where land and rent prices are unaffordable for low-income households. Similar pressures in Nairobi have seen rapid vertical growth, as private developers build low-quality tenements of up to ten storeys. Recent collapses of a number of high-rise residential tenements demonstrate the worst consequences for those with few shelter options (Mutambo 2016).

But informality is not a temporary status for most low-income residents of the cities in this study. Research in Nairobi has shown little upward mobility or movement across sub-markets. Rather, there is 'circular mobility' – most households move to units in the same sub-market, for instance from shack to shack (Talukdar 2018). This 'churn' is also very visible in Mogadishu. Repeated evictions generate movements of IDPs from one informal settlement to another, and they remain — to an extent — trapped by their continued displaced status.

It should not be assumed that the informal market for shelter is necessarily a negative phenomenon, nor that it operates entirely out of sight of the government. Nairobi's informal construction sector is vibrant, facilitated by hybrid governance forms and a selective absence of the state. Low-cost (generally rental) housing is highly unregulated, often constructed in areas lacking formal land tenure. Our research indicates that construction often contravenes regulations, but alternative forms of 'regulation and governance' have emerged. These forms operate outside standard and formal processes of land and building approvals, but do not necessarily mean the absence of the state. Indeed, construction is often facilitated by the involvement of government institutions (eg local chiefs, sub-county administration). In Hawassa, our research demonstrated patchy implementation of the law governing eviction of informal settlements. Municipal government may choose not to act against illegal developments if it suspects that evicting residents could provoke conflict (an increasing risk in Hawassa over the last year). However, these illegal developments may still be cleared at a future date.

The provision of some services (notably water and electricity) by informal actors is also common across all three cities. Recent attempts to formalise electricity provision in Nairobi's informal settlements demonstrate the entrenchment of informal service providers. Many households had access to power through informal 'cartels' (independent groups that typically bribe Kenya Power officials and illegally resell electricity). Although these illicit practices often contribute to fire outbreaks as a result of hazardous wiring, Nairobi's informal providers typically allow unmetered use, low-cost connections and extended repayment times. As a result, some customers are reluctant to formalise their connections due to the flexibility and unrestricted use that illegal providers provide. Similar resistance to formal water provision has been documented. While water quality may be lower, lower-cost informal services are often the only option for low-income residents.

### **Implications for policy and practice**

These findings oblige us to revisit the dualism of 'formal' and 'informal' in both policy and practice (McFarlane 2012). Government representatives and officials often facilitate the emergence and durability of informal settlements and service provision — both explicitly and implicitly. Informality takes distinct forms in the three cities, but in all cases there are overlaps and grey areas where the complex relationships between actors make it hard to isolate the two categories. These have traditionally been analysed as 'independent' or as a 'trajectory' (from informal to formal).

Understanding legislation and formal structures is important, but so is information on how things actually operate in urban settings. Programmes rooted in a more nuanced understanding of incentives, power dynamics and behaviours can then reflect this in their approaches — for example, engaging with actors like 'gatekeepers' or brokers who are rarely involved in donor programmes, or addressing perverse incentives for people to operate outside the law. This applied use of political economy analysis can be a game-changer for programmes, particularly as informal actors and practices may have a stronger influence on the urban poor than formal policies and legislations.

## 2.2 The ‘urban poor’ are not homogenous — risks and barriers vary between individuals and households

Low-income groups in general face the greatest challenges in accessing decent housing. But within this large swathe of the population, some individuals and households experience more acute challenges on the basis of their identity. The unique history and characteristics of each city population means that the risks, barriers and particular identities of marginalised households vary. But certain key characteristics emerged as shared risk factors. There are important gender dimensions to shelter access. Many women face a range of additional barriers and challenges — their ability to earn an income is affected by discrimination, lower levels of education and unpaid domestic care burdens. In addition to an inability to pay for shelter, discriminatory inheritance and divorce practices can exclude women from owning or realising the value of land and property. Gender norms can stigmatise single or divorced women from renting or living alone and make it harder for women to access credit (Rakodi 2014, Chant and McIlwaine 2016, Chitekwe-Biti and Mitlin 2016, Moser 2017). In many cities, women are overrepresented among renters due to these overlapping, gender-inequitable barriers to home ownership (Rakodi 2014).

Gender-inequitable norms and discrimination exist in all three cities, despite legislation promoting equality. In Hawassa, we found female-headed households had different experiences depending on the type of shelter they lived in. They were particularly affected by safety issues in informal settlements and low-income private rental areas. This appeared to be less problematic for those living in government-provided condominiums or low-cost government housing. Insecurity for women in informal settlements was also raised as a key concern in Nairobi and Mogadishu due to a variety of factors, including lack of private latrines (or any latrines at all),<sup>4</sup> overcrowding and insecure shelters (particularly in IDP settlements in Mogadishu).

The research in Mogadishu also highlighted the intersecting vulnerabilities of certain groups, notably of female- and youth-headed households and people living with disabilities (PLWDs). PLWDs are particularly affected by poor infrastructure in settlements. Our research also highlighted the special vulnerability of young single men. In Mogadishu, despite deep-rooted patriarchal norms that govern society, unmarried younger men were identified as being particularly disadvantaged in accessing shelter. This is due to stereotypical views of young men as drug-takers, potential al-Shabaab members or likely to cause trouble. Displaced young men (along with single women) lack the personal networks that would provide them with a guarantor — the key to securing a plot of land to build a shelter in an informal settlement.

The research in Somalia and Kenya also drew attention to how challenges related to women’s rights and opportunities to access decent housing are exacerbated by the legal pluralism that characterises the country. Somali society is governed by a combination of customary law (Xeer) and religious law (Shari’a). Xeer and Shari’a are both powerful institutions, but can intervene at different levels and sometimes contradict each other. Shari’a stipulates inheritance rights for women, while Xeer often circumvents these rights and gives greater credence to men’s inheritance claims. In Somalia, the law is anchored in Shari’a, but discrimination and a poor grasp of the law also disadvantage women in inheritance disputes (Kamau et al. 2019). This is also an issue in Kenya. The 2010 Constitution sought to strengthen women’s property rights, but its transformative potential remains difficult to realise in practice. Kenya still has a plural legal system, with entrenched gender-inequitable norms and customary practices. Even under the new Constitution, Kenya’s customary and religious laws still apply to property rights, inheritance and marriage (Kameri-Mbote 2018). Widows and unmarried, divorced or childless women “are at a significant disadvantage” and can rarely inherit land. Women in polygamous unions “may be even more vulnerable” (Lukalo and Dokhe 2016: 31).

In Ethiopia, despite provisions in the Revised Family Code of 2010, multiple barriers inhibit women from realising their legal rights: limited knowledge and awareness of the law, lack of access to legal advice and representation for divorce proceedings, and lack of access to household assets (as men

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<sup>4</sup> For a discussion, see Sommer et al. (2015).

traditionally manage these). Men even commonly ‘hide’ assets from their spouses to avoid sharing them following a divorce.

Stigma, discrimination and a lack of consideration for the needs and rights of PLWDs were also apparent in the three cities. PLWDs are disproportionately likely to experience extreme poverty and destitution. Their marginalisation is compounded by a lack of practical measures to accommodate their particular needs, seriously affecting their ability to access appropriate shelter and services. In Mogadishu, provisions for PLWDs were almost non-existent across all the housing categories we assessed, and they are generally entirely reliant on family members for support. This is particularly problematic as the numbers of people with physical disabilities is growing as a result of terrorist attacks. In Hawassa, despite apparent regional government commitment to prioritising people with disabilities, official plans have yet to move beyond theory to practice in any systemic way. Affirmative action in housing schemes had little impact, as repayments were beyond the reach of low-income groups.

### Implications for policy and practice

Social analysis (including gender and power analysis) is key to ensuring that policies and programmes ‘leave no one behind’. For city-level interventions, policymakers must consider and reflect on contextual specificities such as local by-laws, social norms and differing customs. Locally tailored designs are preferable to ‘blanket’ approaches to mainstreaming gender and inclusion. A recognition of intersectionality — how different characteristics such as gender, age, disability and ethnicity overlap, potentially compounding discrimination and disadvantage — will be critical for effective programming.

## 2.3 Other forms of identity are important — particularly ethnicity and migration status

Links between ethnic identity and land are well-documented across Africa — and most often associated with rural land. But there are tensions over ethnic identity in urban areas also, relating both to contestation over urban land itself and to ethnic rivalries and conflicts that are played out elsewhere in the country. Discrimination linked to migrant status may exacerbate marginalisation experienced by ethnic minorities moving into towns and cities to seek shelter, services and livelihood opportunities.

Of the three cities, we found the importance of ethnic identity is most prominent in Mogadishu. Somali society is divided into an intricate hierarchy of clans. Different clans control districts, land and businesses and influence most aspects of Somali life. However, there are also different ethnic minorities within Somali society outside of the clan system who experience significant discrimination (such as people of Bantu origin). In Mogadishu, the links between ethnicity and the spatial distribution of population are central to tensions surrounding security of tenure, urban development and evictions. At the core of the issue is the status of long-term IDPs within the city, as many are from minority clans and ethnic groups.

IDPs arriving in Mogadishu usually move to areas where they have relatives and networks (and thus clan or ethnic affiliations). Referrals and word of mouth are a strong determinant of where IDPs settle. The influx of IDPs is perceived to have generated demographic changes in some locations, with clan concentrations diminishing and the resulting population being more mixed than before the city’s liberation from al-Shabaab in 2011. A number of interviewees in Mogadishu indicated that accepting IDPs as Mogadishu residents could potentially affect the city’s political outlook, especially with ongoing moves towards universal suffrage (as distinct from the current clan-based power-sharing arrangement). IDP status is a sensitive issue — a number of actors hold vested interests in maintaining IDPs’ ‘outsider’ status, even though some IDPs have lived in the city for decades and in other contexts would no longer be considered displaced.

IDPs are also disadvantaged because it is more difficult for them to obtain an ID (usually a prerequisite for land and housing transactions). This is a significant barrier to housing access for IDPs, the city’s small number of refugees and returnees. Our research also revealed that majority clan members in Mogadishu were less likely to be evicted from government-owned buildings, despite occupying them irregularly, as it could be construed as politically motivated and destabilising for a government struggling to establish its authority. In contrast, IDPs (often from Southern Somalia, and primarily of Bantu origin) are at continuous risk of eviction.

Hawassa is also an ethnically diverse city — reflecting its status as the capital of Ethiopia’s most ethnically diverse state, the Southern Nations, Nationalities and Peoples’ Regional State (SNNPR), which has over 45 indigenous ethnic groups and where more than a dozen languages are spoken. Until recently, Ethiopia was considered a beacon of peace and stability in the region. It is currently experiencing outbreaks of violence and political turmoil in response to the governing party’s reforms, and mass displacement linked to simmering ethnic tensions. Hawassa itself is at the centre of contestation — a proposed referendum would see it become the capital of a new Sidama State within the federal system.

While the city was projected to grow to 1.8 million people by 2035, this is now less certain. Recent interviews and media analysis suggest that conflict dynamics might reduce the demand–supply gap characterising the land and property markets in the city, as people migrate to other towns within and outside the region or move within the city to escape unrest and insecurity. Recent reports suggest that local conflicts have led to people moving from the outskirts to central Hawassa, which they expect to be more secure. One key informant reported that recent insecurity was reducing illegal squatting in some peripheral neighbourhoods. Some areas have experienced acute insecurity relating to disputes over land ownership, ethnic tensions and protests concerning compensation for the original owners. These localised acts of violence, killings and displacement are linked to broader regional and ethnic struggles over land ownership and regret by those who have already sold their land to other groups. These dynamics were ongoing during our research and remain live at the time of writing. It is not yet clear how this phenomenon will affect demand for, and prices of, land and housing. Resolving political and financial land challenges will require solutions that cross regional and ethnic boundaries, and that satisfy both city dwellers as well as rural and remote voices of protest groups.

Nairobi has a long history of politicised land deals and irregular land allocations. Often driven by Kenya’s ethnic politics, this has marginalised low-income urban households (Obala and Mattingly 2014). Kenya’s decentralisation encompasses political, fiscal and administrative dimensions. It has aimed to reduce inequalities between regions and promote greater responsiveness and citizen participation at the local level (D’Arcy and Cornell 2016). But there are also new-found opportunities for corruption, particularly among politicians representing ethnic majorities at the expense of ethnic minorities in their constituencies.

Ethnicity also emerges as a barrier to shelter in other ways. In Mogadishu, securing housing often requires a local referral. Cultivating the right personal ties can be difficult, particularly for migrants and those from a different ethnic group to their landlord. Ethnic divides between structure-owners and tenants can also influence housing access in low-income areas. In many of Nairobi’s informal settlements, residents often cluster in ‘villages’ dominated by particular ethnic groups. One female resident of Dandora said in a focus group, “[w]e have had those issues of segregation based on ethnicity, to an extent that if you go to some areas you will meet only a particular tribe dominating that area”. Although they may coexist peacefully in general, tensions can flare up around elections. Nairobi’s ethnic politics and related tensions in low-income settlements are well-known (de Smedt 2009), yet such pressures typically only become acute and potentially violent during elections.

### **Implications for policy and practice**

Programmes and interventions need to be informed by a sophisticated social and conflict analysis that examines ethnicity in conjunction with other axes of difference (as noted above) and inequitable distribution of resources. This is often highly sensitive, requiring great care in both design and roll-out, but it is key to mitigating the risk of doing harm by inadvertently entrenching inequalities and/or potentially exacerbating risk of conflict. The UK government offers a range of tools and services to support DFID staff to conduct conflict analysis — and DFID conflict advisors have a key role to play in engaging in design and monitoring of high-risk projects in urban settings. Both Conciliation Resources and Saferworld have developed good tools for gender-sensitive conflict analysis that can be valuable resources throughout the programme cycle.

## 2.4 Housing options for low-income groups are underexplored and better rental regulation is needed

There is a huge variety and complexity of sub-markets for housing, including rental markets. Rental housing is underexplored as an appropriate option for low-income groups, and a lack of regulation is one factor contributing to poor-quality housing and exploitation of tenants.

Many African city dwellers live in overcrowded, low-quality tenements and informal settlements, and often in rental housing. As many as 55.9 per cent of sub-Saharan Africa's urban population in 2014 (201 million people) lived in slums, compared to 21 per cent in Latin America, 28 per cent in Southeast Asia and 31 per cent in South Asia (UN-Habitat 2016). Rental housing is widespread in many African cities and informal settlements in particular. Renting is often appropriate for residents who are mobile, workers employed in central areas, new families, and the old or infirm (Peppercorn and Taffin 2013). But to date, "few governments [have] taken the rental housing issue seriously" although it can "reduce the quantitative housing deficit, it can slow urban sprawl [and] it can improve access to infrastructure and services" (Gilbert 2016: 120). Renting in informal settlements can also be highly profitable for landowners or structure-owners, who may provide small, low-quality housing units lacking basic services. Other forms of housing can similarly offer sizable returns, such as the multi-storey tenements built in Nairobi in recent years (Huchzermeyer 2011).

The cities in the study are characterised by a wide range of housing options, including for low-income groups. These were explored by generating housing typologies and analysis of the types of housing that different groups within the city can afford. Historically, the diverse range of housing sub-markets used by low-income groups have been glossed over by a general focus on 'slums'. Our three city case studies demonstrate the differences between informal settlements within the city — and even within informal settlements — in price, quality of shelter, degree of informality and public provision for infrastructure and services.

Rental is the primary form of accommodation in Nairobi. According to the Kenya National Bureau of Statistics (KNBS 2018: 29-33), 86.4 per cent of households in Nairobi live in rented units. The high cost of land and property in Nairobi's formal sector and a historical focus on the provision of middle- and upper-class housing has created a huge informal rental market in the city, dominated by shack and tenement sub-markets. This market is largely unregulated and very profitable. An earlier study by Gulyani and Talukdar (2008) found that Nairobi's 'slum real estate' is huge and often underestimated.

Our study estimates the total annual income from rental units to be approximately Ksh 37.2 billion (US\$372.2 million), which clearly demonstrates that this sub-market, beyond providing shelter, is also highly significant to Nairobi's economy. But it has remained largely untapped by the city's revenue-collection systems. This clearly demands greater policy attention. Conspicuously, very little of the city's budget is spent on improving shelter conditions for its low-income majority. Nairobi's policies and practices have not meaningfully sought to transform living conditions in shacks and tenements, as demonstrated by the failure to regulate the rental sub-market. While this policy neglect persists, living conditions in these settlements, especially for shack areas, is worsening.

Ethiopia has an urban development policy that dates from 2005, but the rental market is a policy vacuum. Public and private housing rental is governed by the civil code, but there is no law on rental housing that defines the roles, responsibilities and rights of both the lessor and the lessee. The private rental market is virtually unregulated, apart from tax obligations for landlords. However, we found this is rarely enforced. Landlords routinely either fail to report or under-report their rental incomes.

The absence of regulation and protection mechanisms has also fostered severe tenure insecurity and exploitation in the rest of the market, especially among poorer socioeconomic groups. While high-end rentals for wealthier tenants are generally formalised, when rents are 'low' and/or the property is in an informal settlement, rental agreements are often verbal, based on trust and mutual agreement. This practice, the housing shortage in the city and the absence of a widely developed property market means that private landowners of residential and commercial property may set, change and even terminate rental agreements abruptly and arbitrarily (Berhe et al. 2017). In addition, they can restrict the tenant's activities in the rented housing unit. As one religious leader we interviewed in Hawassa commented, "[t]enants are forced to change housing very often and keep up with the ever-rising rentals

demanded by unscrupulous landlords. Another area of difficulty faced by tenants is the unreasonable conditions that are placed on them, such as that they may not bring many visitors, that the toilets are off limits to visitors of tenants, etc.”

The uncertainty and informality characterising the rental sector in Hawassa is mirrored in Mogadishu. Formal rental agreements require the tenant to have a guarantor who can facilitate their acceptance by the local community. This is linked primarily to security concerns, as people still feel more secure living in locations dominated by people from their own clan, sub-clan or ethnic group. Alongside the guarantor, renters must provide an ID, a fee of US\$10 to the Benadir Regional Administration and an upfront payment of one to three months' rent. This in itself creates barriers to formal rental for those who cannot access a guarantor (minority groups and those from elsewhere in the country) as well as for the poor. The rental market is, however, largely informal, with very little oversight from the municipal or national authorities. According to Somali civil law, landlords can only evict tenants who violate a tenancy contract, or otherwise by mutual arrangement. However, this only applies if a formal agreement exists and has been registered with a notary. Even where a contract exists, application of the law is, according to interviewees, patchy at best. If no formal agreement exists, then landlords can act as they see fit. Many residents do not document rental agreements with public notaries due to associated costs, which leaves both the landlord and tenant unprotected. However, landlords usually benefit from this arrangement as it allows flexibility to evict tenants without notice and to raise rents rapidly, leading to widespread and frequent evictions (see also Section 2.5).

### Implications for policy and practice

Before the design of any pro-poor housing interventions, there is a need for a detailed and context-specific understanding of the full range of housing options that low-income individuals and households can buy, build or rent and how this shapes, and in turn is shaped by, (formal and informal) land, housing and finance market systems. This has to go beyond generalisations about low-income groups living in informal settlements (or 'slums') to recognise the different degrees of informality within low-income settlements and the associated implications for housing prices and conditions. Overcoming shelter deficits will require greater policy recognition of informal rental housing, which is often overlooked in favour of home-ownership strategies. National and city governments should decrease the uncertainty and abuse associated with informal rental agreements, including abrupt and arbitrary rental termination or rent hikes, and enforce appropriate regulations on public health and building safety.



*Examples of buls in Mogadishu – temporary shelters made out of sticks, plastic and fabric. Credit: © Tana Copenhagen*



*Row houses occupied by low-income groups in Hawassa. Credit: Econvalue*



*Tenement housing in Nairobi. Credit: Baraka Mwau*

## 2.5 Poorly handled evictions can cause long-term vulnerability and undermine trust in government

Evictions are a common feature of all three cities in the study. They may be carried out by private landlords, often linked to a desire to raise rents or to rent defaults by tenants. Alternatively, they may be driven by a government decision to remove people from land that is illegally or irregularly occupied, or from areas that are unsafe or require environmental protection or that are needed for infrastructure. In

addition, evictions occur as a way to clear land for development projects. How evictions are carried out can have serious implications for residents' shelter provision, social networks and livelihoods, as well as affecting their well-being and their attitude towards the state and law-enforcement agencies.

In Nairobi, recent government-led evictions have lacked a resettlement action plan, exacerbating the vulnerabilities of affected households. After forcible evictions during July/August 2018, when over 20,000 households were forcibly uprooted for the construction of a highway, residents of Kibera — one of Nairobi's largest and most well-known informal settlements — recalled the lasting psychological damage of the eviction, as well as rising rents and economic losses. Interviewed the following February/March, research participants were still struggling to recover. Evicted households demonstrated an acute sense of injustice, particularly around limited notice or non-existent compensation, and voiced strong feelings of exclusion and outrage. A man born in Kibera said that his family had not received any notice, and it was "chaotic and horrifying" as people stole from each other. He argued passionately for compensation and better treatment: "We are human beings, and they should have done it in a better way. We were promised compensation but up to now, nothing has ever happened."

In Mogadishu, rising land values and the lack of rental market regulation mean that evictions are a constant threat for the city's IDPs and poorer residents. Benadir is the most affected region in the country — in the first two months of 2019, there were 60,157 evictions (UN-Habitat and NRC 2019a). Some of Mogadishu's IDPs live in government-owned buildings and are at risk of eviction. As one female IDP living in Shangani district made clear, "Yes, all the time I am worried that the government will show up and force us to evacuate. Yes, we have seen many IDPs occupying government buildings who were forced to evacuate and even though the government promised them resettlement they have not heard anything and this worries me a lot."

The vast majority of evictions in Mogadishu are forced, with only very few lawful evictions or evictions with dignified relocations. Although the Benadir Regional Administration does order some evictions, they are mostly enforced by private citizens seeking to clear property to develop the land. Most often, residents have no formal (written) agreement in place with the landlord. The scale of evictions is generating significant intra-city migration flows between three of the most densely IDP-populated areas of Mogadishu (Kaxda, Hodan and Daynile) and the city centre (Dharkenley). The arrival of large numbers of IDPs in one location, evicted from another, drives the development of a large informal economy in the form of shops and services such as water trucking. These services eventually lead to the growth, albeit unplanned, of the area. The availability of services draws further new residents, and in the process drives up land market prices. Many IDPs are then at risk of further eviction. Between 2017 and February 2019, an estimated 364,731 IDPs relocated within Mogadishu due to evictions (UN-Habitat and NRC 2019b). Considering that the estimated number of IDPs in the city is around 600,000 (UN-Habitat and EU 2018), close to 60 per cent of the IDP population suffered eviction in this period. Displacement thus plays a major role in the urbanisation and spatial pattern of Mogadishu and is key to understanding access to shelter for vulnerable groups in the city.

The risk of eviction for residents of informal settlements is also a concern in Hawassa, where those who have settled in an area informally after 2011 are not eligible for compensation. Even for those with longer residence, the government proclamation on their entitlements is unclear on what constitutes "alternative land allocation" in the event of relocation. In practice, evictions usually entail costs for households, including the loss of livelihoods and social networks, as a result of a lack of careful resettlement management and inclusive community dialogue. Our research highlighted that the implementation of compensation measures — particularly after expropriation of land — has proven problematic. Our interviews uncovered examples of households that were still waiting for clarification about their long-term resettlement after six years, while currently occupying shelter that was evidently sub-standard.

Moreover, interviews revealed widespread feelings of disempowerment and grievance amongst resettled residents whose livelihoods, social networks and access to services were hugely disrupted by relocation. Evictions are characterised by very limited strategic community organisation and dialogue with authorities. They have also led to violence. In 2011, when the Hawassa municipality attempted to demolish homes in Dato informal settlement, residents mounted considerable resistance. The community formed a committee which took the issue to the prime minister's office. Having considered

the political implications of the evictions and demolitions, the regional government was advised to regularise the houses but also to control further informal settlement expansion.

### Implications for policy and practice

Although some relocations may be necessary for infrastructure and other urban development, relocations of informal settlement residents should only be considered as a last resort. Authorities need to ensure any relocations are managed with maximum due diligence, care and consultation. If involuntary resettlement is unavoidable, guidance drawing on best practice — such as the International Finance Corporation’s performance standards on environmental and social sustainability (IFC 2012) or the forthcoming note from the Infrastructure and Cities for Economic Development (ICED) Facility on Urban Land Acquisition and Resettlement — should be followed. Measures should include developing, implementing and monitoring fair compensation schemes for those who have been displaced, ensuring residents benefit from ample notice of forthcoming actions and safeguarding particularly vulnerable households (such as extremely poor households and people with disabilities). The alternative provision of secure shelter for informal communities must be ensured. Improved involuntary resettlement processes can include those having to move reviewing alternative sites for relocation, ensuring community dialogue to identify core needs and inform relocation plans, developing grievance mechanisms and creating resettlement action plans and livelihood restoration plans.

## 2.6 ‘Affordable’ housing is often inaccessible — new options for affordable finance are needed

Housing classed as ‘affordable’ is often inaccessible to many city residents. A re-evaluation of ‘affordable housing’ is needed alongside new approaches to affordable finance for housing and land. Our analysis of the housing markets in the three cities shows how all elements of a house (site, tenure, location, legal address, structure, connection to infrastructure, access to services) are monetised — usually in contexts with little or no public service provision. Many factors influence housing quality and affordability, including the (informal/formal) land market for housing, the rental housing/room market, the owner–occupier housing market, the housing finance market and how all these are in turn impacted by government rules and regulations (and whether or not they are applied). Location, infrastructure and service provision (including the extent of expansion for roads and public transport systems) and threat of eviction are also relevant. Rapid and low-cost access to labour markets will push up land and housing prices. Meanwhile, distant locations poorly served by public transport are cheaper. In informal settlements, rents may be higher for rooms closer to a water tap, located near to a road or at lower risk of flooding.

The ability of the lowest-income groups to access formal housing was extremely limited across all three cases. In Kenya, there is political commitment to affordable housing as part of the president’s ‘Big Four’ agenda.<sup>5</sup> The Kenyan government seeks to reduce construction costs, unlock land for development and improve the mortgage finance market. However, the plans have been criticised for prioritising market-based approaches over slum upgrading and rental housing, particularly for the poorest (Hakijamii 2018). The new Affordable Housing Programme will require 60 per cent private-sector funding, and it remains unclear how upgrading and low-cost social housing will be funded (ibid: 42). Previous attempts at affordable housing have been captured by the middle classes. The Kenya Slum Upgrading Programme (KENSUP) in Kibera is a case in point — unmet demand from higher-income groups contributed to the sale of Kibera’s upgraded units to better-off households.

This ‘displacement’ has also been noted in Hawassa. Beneficiaries of a nationwide condominium housing scheme are subletting their apartments, although this was not the original intention of the scheme. Low-income households have found it very difficult to raise the minimum deposit required. And in Mogadishu, rising land prices are pushing poor residents into IDP camps. In these settlements, most of the homes are ‘*buuls*’ — temporary shelters made from sticks, cardboard, plastic or pieces of cloth. For most residents, these are the most affordable shelter options, with those interviewed placing their rent at US\$2–30 per month, based on the size and location of the plot allocated.

<sup>5</sup> See [www.president.go.ke](http://www.president.go.ke)

The lack of affordable housing in the private or public sectors has driven self-building in informal settlements and, in the Nairobi case, provided a market for low-cost informal developers constructing shacks or very small units in high-rise tenements. Although shacks and tenements offer the cheapest rental units in Nairobi, they are not necessarily affordable to all. Many households still struggle to pay rent, as seen by frequent cases of evictions and rent defaulting. Our study has shown that there is an increasing trend by landlords to hire agents for rent collection and to execute tenancy agreements, signalling a problem in rent compliance.

Across all three cities, mortgage finance for low- and middle-income groups is highly constrained. In Ethiopia generally, there is no specialised housing finance (mortgage banks). The role of private banks in providing loans for housing construction is very limited. Although some relatively large microfinance institutions (MFIs) have started extending small loans for new housing construction, most are heavily subsidised and/or financed by regional governments — and are not accessible to poor households. Although a mortgage market exists in Kenya, it remains small and generally inaccessible to all but the wealthiest residents. Details of how the country's new Affordable Housing Programme will extend mortgage finance to low-income households remain sketchy (Hakijamii 2018). In the absence of formal credit, many Nairobi residents rely on the cooperative sector, savings and/or incremental construction to fill the gaps. Savings and credit cooperative organisations (SACCOs) provide credit more cheaply than other alternatives and can be used for incremental housing as well as complete purchase or periodic improvements (World Bank 2017, Feather and Meme 2019). However, the inroads made by SACCOs remain limited. It is still difficult for these organisations to scale-up housing and land development.

One initiative of note in Nairobi is the support from the Akiba Mashinani Trust (AMT) to the Kenyan homeless people's federation, Muungano wa Wanavijiji (Muugano). AMT raises and manages bridging finance and has provided 7,000 households with loans for shelter upgrading as well as supporting community-led upgrading processes (Weru et al. 2017). The community-managed fund enables individual members to realise their own goals and savings groups to strengthen bonds and implement larger projects. Loans are for consumption, livelihoods and shelter development (housing, sanitation and other infrastructure). Between 2009 and 2016, AMT issued project loans and grant capital worth US\$1.7 million to savings groups, in addition to consumption and livelihood loans.

In Somalia, only 15 per cent of the population holds accounts with formal banks. The vast majority of the population has no access to formal housing finance. Barriers include the need to have a passport or other form of ID, proof of a regular income, availability of collateral and a guarantor. Studies in Somalia (CAHF 2018) indicate that the microfinance sector is growing. MFIs offer loans to their members which they can use to access affordable housing. Like banks, these institutions also charge a commission (ranging between 10 and 20 per cent of the amount borrowed) and their loans are usually payable within six months (ibid). Family members are also a source of finance for many, especially with the existing vibrant remittance system. For vulnerable populations of Mogadishu, this is the most prevalent form of housing credit.

This dearth of adequate and accessible financing options again fuels the informal market — renting, building or squatting on land that has not been set aside for residential use. Growing populations and existing housing deficits in all three cities demonstrate the need for alternatives to private or public-sector provision of new housing stock. Upgrading existing housing stock in informal settlements is critical to meeting demand and improving quality of life for hundreds of thousands of city dwellers in the region. Tried and tested approaches to co-production of shelter — as discussed in Section 2.7 — require access to finance as an essential component. The challenge will be to achieve this at the necessary scale. Lessons from elsewhere in the Global South provide ideas of what can work, albeit requiring adaptation and screening to be context appropriate.<sup>6</sup>

### **Implications for policy and practice**

A rethink of what is 'affordable' is desperately needed to ensure that pro-poor housing or finance are not captured by those with higher incomes. Our research has shown how important it is to consider how middle- and upper-income groups are buying, renting or building housing and accessing infrastructure

<sup>6</sup> See, for example, Stein and Vance (2008) for a range of approaches to financing shelter in Central America.

and services, as this has an impact on housing and land markets for the whole city, including its low-income groups. Given the scarcity of affordable decent shelter for both lower- and middle-income groups, shelter production must match all categories of demand. If not, competition for housing will continue to trigger displacement. In addition, where the market is not providing, there is a need to innovate and pilot schemes with subsidised or low-interest loans. Considering options for creating/piloting access to finance for low- and middle-income groups through a low-interest lending bank — drawing on and adapting lessons from other countries and regions — could be a gamechanger.



*Hawassa Industrial Park worker housing.  
Credit: Econvalue*



*Transitional housing. Credit: Simon Dixon Kwangu  
Kwako Ltd*

## 2.7 Empowered and organised civil society working with city governments can improve low-income housing at scale

As this study has shown, public housing programmes are rarely allocated to or affordable for low-income households. An alternative is to upgrade informal settlements. This can be achieved at scale if city governments work with low-income groups to improve shelter and services. Government funding to support, for example, community-directed upgrading or household and community plot purchase and house development can widen the scope of what low-income households and communities are able to achieve. This can be seen as a form of housing allowance to communities for upgrading, but is generally more effective than subsidies to make rental accommodation more affordable, for example. This is because communities will play a key role in developing and implementing tailored, affordable solutions to housing shortages.

Communities' contributions help overcome limitations of much housing policy that struggles to be effective across a diverse range of settlements. With the right type of support, local actors can respond to their particular needs and priorities. An additional advantage is that this approach demands far fewer subsidies than public housing. As a result, many more low-income households can be reached. It can also have significant and diverse local economic and employment multipliers, including building materials and components, financing arrangements and the creation of informal and home-based enterprises supported by improvements in water, sanitation and energy provision and improved road access.

Nairobi is an example of a city that has adopted this approach. A partnership between Nairobi district government and Muungano has been established to develop an upgrading programme for Mukuru, one of the city's largest informal settlements. Mukuru residents face overlapping risks linked to poor-quality housing and infrastructure, compounded by environmental hazards and eviction threats due to the area's prime location. It has a population of 100,500 households (averaging three people per household) and is located on 450 acres of mainly private lands about 7km from Nairobi's city centre (Mutinda and Otieno 2015). Many Mukuru households grapple with inadequate water and sanitation, hazardous electricity connections and industrial pollutants that imperil their health and well-being (Sverdlik et al. 2019). As in Nairobi's other informal settlements, chronic poverty and food insecurity are widespread concerns — surveys in Mukuru and three other slums found that residents typically spent 52 per cent of their incomes on food, yet still regularly go hungry (Amendah et al. 2014: 4).

Although largely side-lined in Nairobi's past shelter interventions, Mukuru is slated to benefit from a pioneering multi-sectoral upgrading project. In 2017, Nairobi's county government declared it a special planning area (SPA) following advocacy by Muungano. Muungano receives technical support from the Kenyan Alliance, an alliance between Muungano, Slum/Shack Dwellers International Kenya (SDI Kenya) and the Akiba Mashinani Trust (AMT). Muungano's advocacy draws on longstanding action-research in Mukuru with universities and experienced advocates. The SPA will generate a participatory, holistic upgrading plan that is co-produced by Mukuru residents and the county.<sup>7</sup> Muungano's prior work in Nairobi centred on informal settlements on public lands, but their successful advocacy in Mukuru is a significant victory, particularly as Nairobi's other informal settlements are also located on private lands (Lines and Makau 2017: 60).

While Nairobi has several other upgrading projects, the SPA is distinguished by its scale, governmental support and multi-sectoral participatory approach. Kenya's Physical Planning Act (2012) includes 'special planning areas' which, according to SDI Kenya and AMT (2017: 11), are defined as having "unique development and environmental potential while also raising significant urban design and environmental [social, economic, and physical] challenges". The settlement's elevated levels of pollution, hazardous service provision, and lack of prior interventions — as well as its immense potential due to its central location and vibrant livelihoods — have helped spur the SPA declaration. Under Kenyan legislation, Nairobi's county government must develop an integrated plan to redevelop the area within two years.

Participatory consultations have been conducted across the SPA, and plans should be finalised in the coming months. A set of eight consortia (with collectively over 40 organisations from academia, government, the private sector and civil society) have synthesised data from Mukuru and developed plans to inform upgrading strategies. The consortia cover housing; education, health; land; water, sanitation and energy; finance; environment; and coordination, community organisation and communication. Funding for the SPA's implementation is still to be determined, but the SPA has already been made a statutory obligation of the county government and included in Nairobi County's Integrated Development Plan (Makau and Weru 2018).

### Implications for policy and practice

The Mukuru initiative demonstrates that where cities have decision-making powers and low-income groups are organised and informed, significant impacts can be achieved for large numbers of the urban poor. It should be remembered that public housing schemes are unlikely to solve problems at scale. Participatory forms of policy development and scrutiny should therefore be encouraged, building on positive experiences where communities in informal settlements have driven the upgrading process. The Mukuru SPA process is likely to generate lessons on participatory community planning at scale, on how large multidisciplinary consortiums can work together, and around planning innovations which challenge received wisdom and planning standards in the context of urban poverty and informal upgrading. The Nairobi case would suggest that community capacity building may be appropriate in urban areas where low-income and vulnerable residents are currently not organised or organise only around specific issues. This could better enable them to advocate for, or collaborate with municipalities for, longer-term shelter solutions.

## 2.8 National political settlements frame city decision making, but local and regional factors — and competing interests — must also be understood

Our research explored the utility of applying a political settlements framework to urban areas to gain greater understanding of access to shelter in the three East African cities. This exploration started from an understanding that politics matters — government investment is a critical determinant of housing quality and availability. Governments influence the pattern and nature of basic infrastructure, which significantly affects the location, quality and cost of housing. In addition, many governments provide specific support for housing.

The political settlements literature presents the idea that there is a balance between competing political elites such that there is relative stability and social order, allowing institutions to distribute resources in a

<sup>7</sup> See [www.muungano.net/mukuru-spa](http://www.muungano.net/mukuru-spa).

way that is broadly commensurate with relative power in that society (Kelsall 2018). The political settlements framework is increasingly used to understand the behaviours of national political elites and how these influence developmental outcomes (Hickey et al. 2015). Both Goodfellow (2018) and Jackman (2017) recognise that the political settlement in the capital (or major) city is influenced by the national settlement. In addition, urban management is used by the state as evidence of capability and therefore legitimacy (Goodfellow 2014).

In all three cities, national political settlements are influential at the city scale. The ‘visions’ held by national-level politicians have a significant impact on policy and programmes that may become reality in a nation’s urban centres. These ideas are important not just because of the legitimacy they can engender for elites, but also because they can bring about real change on the ground in terms of urban infrastructure, services and form. These changes can in turn impact on how particular politicians or political parties are perceived by voters. As such, the extent of resources and how they are distributed at the local level has the potential to influence electoral politics and impact on stability and security.

### **Nairobi**

The emphasis within political settlements on clientelist institutions for rent acquisition resonates with research findings in Nairobi. Over 30 documents are required for buildings approval, thus creating opportunities for corrupt practices. The intensity and sophistication of clientelist practices in Nairobi was elaborated by people we interviewed for this study. According to one, “[i]n Nairobi everything is a cartel. Most of these cartels control housing and provision of services like water.” Recent moves against corrupt landholdings in Nairobi suggests that clientelist arrangements are increasingly under strain in the present political settlement which ostensibly challenges both informality and corruption (Bassett 2019), although the scale of these practices limits reform.

Recently, the Kenyan president established a ‘Big Four’ policy agenda which includes housing. This is significant for Nairobi — the newly announced national housing programme is likely to lead to numerous projects in the capital. A modernist vision for the city was apparent in the responses of key informants in this study, who referenced Dubai and Singapore as exemplar models and referred to the city’s master plan. However, this is not the sole vision for the city. Competing ideas that privilege a more bottom-up approach were also represented as interviewees described processes of informal settlement upgrading. This enables the development of more flexible standards. At present, Nairobi County is investing in experimentation and co-production with the SDI affiliate the Kenyan Alliance (Lines and Makau 2017) and can be seen to be responding to citizen protest and other pressures for improved low-income housing.

### **Hawassa**

Hawassa is a regional capital city. Although relatively small, it has received considerable state investment from the government of Ethiopia. Its development has been influenced by the national government’s vision of a modernist trajectory for the nation, with the city’s new industrial park promoted as a symbol of progress. Analysis of the Ethiopian political settlement would suggest the federal government is a ‘dominant’ power, but recent levels of contestation across the country have challenged the old order, leading to dramatic political change. In parallel, related tensions and contestation have been at play in and around Hawassa, raising questions about the government’s ability to impose its will, regulate conflict and deliver the development aspirations related to Hawassa’s industrial park. The city administration is desperate to resolve the housing crisis, but in a highly volatile context of ethnic tensions, some of the possible ‘technical solutions’ to land scarcity are politically untenable at the regional governmental level. The need to resource housing and service delivery for the city’s residents can neither trump nor jeopardise the interest in maintaining stability. The federal government is likewise heavily invested in maintaining national stability, but also in ensuring housing is available for workers in the flagship industrial park. Lack of shelter may present a significant risk to the viability of the business model, a model that is meant to drive Ethiopia’s ambitious growth targets. Although all levels of government agree on the broad objectives of stable development, the risks and pressures that each face need to be understood to navigate the different blockages and find solutions that are both technically and politically viable.

### **Mogadishu**

Since the collapse of the Siad Barre government in 1991, clans have competed for power across Somalia. The federal government's inability to assert its authority — and to secure a political settlement — means that conflict continues, exacerbated by activities of al-Shabaab. Clan-based competition over land remains a critical trigger for conflict (Kamau et al. 2019) and maintaining security remains a key challenge in Mogadishu. As a result, many neighbourhoods are unsafe. Clan leaders appear to control land occupation, citizenship and IDPs' spatial mobility and determine a minimal role for local government. In this context, it appears that there is no political settlement in place.

Violent conflict in Somalia has led to major state functions — such as recording land ownership in Mogadishu — being conducted outside of established legal frameworks and judicial agencies. Land ownership is an extremely sensitive issue, and in-depth interviewing on the topic is risky. The Benadir Regional Administration is seeking to expand Mogadishu's limits, and requires land for public services and the permanent resettlement of IDPs. However, potential sites within the city's current boundaries have been 'grabbed' by powerful clans. The state is struggling to control land development in the city. For elites in Mogadishu, land ownership confers social status, generates rental income and — in the context of inflation and insecurity — offers a relatively safe form of savings. The dominance of clan-based interests has led to the national government evicting IDPs and the urban poor, reallocating land to elites and failing to enforce court-ordered evictions against clan leaders and warlords. Well-placed groups have ensured the continuation of IDP settlements due to the resources and benefits that flow to them. It appears that the local authority plays a relatively insignificant role in the process.

### **Implications for policy and practice**

Politics is a vital part of both urban development and urban social transformations. Any understanding of development outcomes in an urban context has to include a political analysis. Larger urban centres are sites of considerable contestation due to the potential for wealth accumulation. As profits are generated and returns to labour and capital shared, there are a multitude of political interactions that determine who benefits and the extent to which they benefit. Politics is also important because of the role of the state in managing spatial development. Economic agglomeration and high residential densities require various public goods and services, particularly in order to prevent conflict and maximise well-being and/or returns.

Those involved in designing or implementing urban development initiatives will want to ensure that their political economy analysis digs down below the national level. They must beware of any assumptions that the national government perspective necessarily plays out at the city level. Blockages may well be political rather than technical. Once a more nuanced analysis has been achieved, it can be used to assess whether the assumptions of the programme or intervention design make sense, and whether any findings need to be integrated into the core design of the programme or intervention or into the programming risk register. In sum, country-level programming may need tailoring to be effective at city level.

## 3 Conclusion

This study has sought depth and detail in understanding the types of housing that are available to low-income groups in Hawassa, Mogadishu and Nairobi, and the choices and trade-offs that these groups make. In deciding where to live in a city and under what terms (as a tenant, owner-occupier, or squatter), individuals and households make choices based on or influenced by multiple needs and preferences, balanced against what is available and what can be afforded. Across the three cities, large sections of the population have very little capacity to pay for housing and basic services. People looking for accommodation will consider how effectively and affordably different housing options can provide infrastructure and services (such as piped water supplies to their plot or access to schools), a legal address (often required to access a range of entitlements and important for reducing eviction risks) and labour market access.

The study has sought a better understanding of both financial constraints to accessing land or housing and non-financial constraints such as discrimination on the basis of ethnicity, clan, disability, gender and other factors. Our research has shown that low-income groups are not homogenous. Intersectional analysis is critical in the design of contextually appropriate strategies that respond to the needs of marginalised groups and that address complex forms of shelter exclusion. Clearly, a person's ethnic and geographical origin, their sex, age and any physical disabilities have a very real impact on access to and freedom of choice with regards to shelter.

Our research findings underline the importance of knowing who has power when it comes to offering housing and land on the market. Power does not just derive from wealth — politicians, traditional leaders, informal brokers and gatekeepers also have power that they exercise in these markets. This report has shown how achieving a more detailed understanding of power and influence can support interventions in urban areas that work in favour of low-income groups. In particular, the case of Mukuru in Nairobi demonstrates the importance of partnering with low-income groups, drawing on their knowledge and resources to develop inclusive solutions to the many challenges of life in informal settlements.

In sum, our research has highlighted the need for policymakers and practitioners to rigorously examine a range of fundamental drivers of shelter, including where power lies, who are the primary winners and losers from the housing status quo, and why people make certain choices around shelter (or are unable to make choices and must sometimes just take what they can get). With growing urban populations across the region, decision makers and implementers working in urban areas of East Africa are encouraged to apply these lessons to ensure their efforts are both effective and equitable.

### 3.1 Key recommendations

**Collect information on how things actually operate in urban settings, including informality as well as legislation and formal structures:** programmes rooted in a more nuanced understanding of incentives, power dynamics and behaviours can then reflect this in their approaches for greater impact.

**Social analysis (including gender and power analysis) is key to ensuring that policies and programmes 'leave no one behind':** understanding intersectionality — how different characteristics such as gender, age, disability and ethnicity overlap, potentially compounding discrimination and disadvantage — will be critical for effective programming.

**Programmes and interventions must be informed by a sophisticated social and conflict analysis that thoroughly examines ethnicity:** resolving the political and financial challenges around land will require proposing solutions that cross regional and ethnic boundaries. Conflict advisors have a key role to play in engaging in design and monitoring of high-risk projects in urban settings.

**A rethink of what is 'affordable' is desperately needed to ensure that pro-poor housing or finance are not captured by those with higher incomes:** given the scarcity of affordable decent shelter for both lower- and middle-income groups, shelter production must match all categories of demand; if not, competition for housing will continue to trigger displacement. In addition, where the market is not providing, there is a need to innovate and pilot schemes with subsidised or low-interest loans.

**Overcoming shelter deficits will require greater policy recognition of informal rental housing, which is often overlooked in favour of home-ownership strategies:** there is a need for national and city governments to decrease uncertainty and abuse associated with informal rental agreements, including abrupt and arbitrary rental termination or rent hikes, and to enforce appropriate regulations on public health and building safety.

**Relocations of informal settlement residents should only be considered as a last resort, and must be managed with maximum due diligence, care and consultation:** guidance drawing on best practice, such as the IFC's (2012) performance standards on environmental and social sustainability, should be followed where involuntary resettlement is being considered.

**Where cities have decision-making powers and low-income groups are organised and informed, significant impacts can be achieved for large numbers of the urban poor:** participatory forms of policy development and scrutiny should be encouraged, building on positive experiences where communities in informal settlements have driven the upgrading process.

**Any understanding of development outcomes in an urban context must include a political analysis, as politics is vital to both urban development and urban social transformations:** larger urban centres are sites of considerable contestation due to the potential for wealth accumulation. Analysis of the multitude of political interactions that determine who benefits and how is critical to understanding the urban systems that the poor must navigate to access housing and services.

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This report provides a synthesis of key findings and lessons from a three-city study on access to shelter and basic services for low-income groups in East Africa (Nairobi, Kenya; Mogadishu, Somalia; and Hawassa, Ethiopia). Guided by political economy analysis, this paper sets out some key lessons for agencies operating in cities, highlighting why and how city dwellers make certain shelter choices, and provides suggestions on how to respond.



## Project Materials

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### Urban

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*Keywords:*

Urbanisation, informal settlements,  
urban poverty, housing

