

## **The Effect of Urbanisation on the Housing Conditions of the Urban Poor in Kampala, Uganda**

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### **ABSTRACT**

In this paper, aimed as a background for further research, the author examines the effect of urbanisation on housing for the low income earners in Kampala. The author discusses Kampala's housing environment by looking at low-income earners' access to housing in the city under conditions of rapid population rise, growing housing demand, rising land prices and growing poverty. Findings show that the housing environment for low-income earners in Kampala is: far from satisfactory, characterised by sub-standard housing that is lacking both in quality and quantity. Urbanisation in Kampala has led to increased housing demand, rising land prices and growing urban poverty in the city, thereby reducing low-income earners' accessibility to decent shelter. The author concludes by suggesting recommendations to address the negative effects of urbanisation while at the same time encouraging equitable development of all regions of the country. He also recommends review of existing land supply policies to address the existing land tenure problems arising out of the multiplicity of tenure systems in place, the establishment of strategies for developing low-cost rental accommodation and supporting the private sector to develop decent and affordable rental shelter

**Keywords:** Affordable housing, Low-income Settlements, Population Growth, Housing Environment

### **1.0 INTRODUCTION**

A leading daily newspaper, the New Vision of 11 July 2008, quoted Uganda Bureau of Statistics that Kampala was experiencing a shortage of houses due to rapidly growing population. At that time, Kampala had a housing deficit of 100,000 units and that close to half a million people were not housed adequately. The state of housing conditions in Kampala is one of the major urban management challenges that the country is faced with. According to results of the 2002 national census, Kampala city hosted a population of 1.2 million people. At the time, the population of the city was estimated to grow at an annual rate of 5%, and was expected to reach 3.03 million people by the year 2020 (UBOS, 2002). About 60% of the population in Kampala lives in slum environment lacking basic necessities such as potable water, electricity, education, health care services and adequate shelter. By 2002, more than 70% of the dwelling units in the slum areas were built out of temporary building materials that could not maintain their stability for more than three years. The 2005/6 National Household Survey indicated that tenements accounted for 64.3% of the dwelling units in Kampala, while a large proportion of households lived in single rooms, in crowded environment, and had intermittent and low incomes. Tenure for many is insecure, with the majority living in dwelling units whose tenure is ambiguous to say the least. With little hope of having improvements in the living environment of low income earners in Kampala, the need to reverse this trend is more real than ever (Government of Uganda, 2007; Mukiibi, 2008).

On the other hand, while urbanisation may be a precursor for development, it has been identified as one of the factors with profound effects on the demand for housing. It is estimated that in the

last 50 years urbanisation in the developing countries has increased by 600%, and it was expected to increase from 4.5 to 50% of the total population by the year 2005 (Pugh, 2001). Eastern Africa, a region where Uganda belongs, is the least urbanised on the continent with 26% of its population living in urban areas (UNEP, 2002; Kamete et al, 2001), but with the highest rate of urbanisation on the African continent at 4.5%. Rapid urbanisation in Africa first became notable in the 1960s when most countries were becoming independent. According to UNEP (United Nations Environment Programme) (2002), this rapid urbanisation is attributed to the natural growth of urban populations and migration to urban centres from the rural areas owing to declining agricultural productivity and the search for better employment opportunities and income.

Urbanisation in Uganda is affected by population dynamics in urban population growth and internal migration, persistent rural poverty that causes people to migrate to the city to improve their livelihood, political/civil insecurity in some parts of the country, and re-gazetting of some urban areas. In addition, due to insufficient accommodation in the city, individuals working in Kampala opt to live in its suburbs and other neighbouring towns greatly increasing its day-time population. As noted by the Government of Uganda (2007: 14), high population growth implies that more housing units will be required to cater for the shelter needs. This automatically translates into increased demand for the necessary basic inputs into housing development. At the same time, highly populated areas of Kampala are experiencing declining living conditions among the urban poor, increase in unplanned, illegal settlements, and other negative attributes (Government of Uganda, 1992a: 1992b; Mukiibi, 1997; Government of Uganda, 2001). Therefore, the study set to find out the effect of urbanisation on housing conditions of the poor in Kampala.

## **2.0 METHODOLOGY**

The paper discusses Kampala's housing environment by looking at low-income earners' access to housing in Kampala under conditions of rapid population growth and housing demand, rising land prices and growing poverty. The methodology involved studying and evaluation of literature and archival documents from different sources on Kampala's housing environment, and conducting interviews with key persons from Kampala City Council, Ministry of Lands, Housing and Urban Development and scholars on the subject.

## **3.0 KAMPALA'S ENVIRONMENT**

### **3.1 Kampala's Population Growth**

Kampala is one of the fastest growing urban centres in the country, with a growth rate of 5.6% (UBOS, 2002). Much of this growth is attributed to demographic shifts in the form of rural – urban migration leading to urban sprawl (Lwasa, 2002). Kampala's growth has seen the city's population changing from 24,100 in 1948 to 774,241 in 1991 and 1,208,5444 in 2002 (UBOS, 2002).

### **3.2 The Housing Environment in Kampala**

The housing environment in Kampala is far from satisfactory, characterised by sub-standard housing that is lacking both in quality and quantity. About 80% of households lack toilets. 34% of the city's housing stock is in need of upgrading or replacement, and another 36% are built of mud and wattle (DISH, undated). 65% of the households in Kampala live in rental accommodation, with 71% occupying rooms as opposed to houses. 54% of the city residents live in tenements, 12% in stores and garages, and much of this housing is made of non-upgradable or semi-permanent materials. Living conditions are worse among poor households living in

Kampala's informal settlements. In such settlements conditions are far from acceptable and a health hazard to the residents (UNEP, 2002; Rakodi, 2005).

Many households' members in the city are predominantly employed in the informal sector, mostly engaged in small businesses on a subsistence basis. Home-based enterprises in this case play an important role in contributing to households' incomes, and providing some level of social protection. Incomes in the informal settlements of the city are low, intermittent and uncertain, with 80% being in the low-income category. Such conditions hamper possibilities of accessing decent housing for the households in Kampala. Major sources of housing finance are informal, mainly arising out of households' savings and from rental incomes by having tenants pay 3-6 months' rent in advance. Such sources of finance hardly provide enough funds to meet the demands of decent housing (Mukiibi, 2008).

Housing supply in Kampala is mainly based on informal operations, championed by individuals in the private sector, but at a scale that is not commensurate with the growing housing demand in the city. Current trends indicate that the housing demand will continue to rise unless government takes appropriate steps to address the problem. The formation of informal settlements in Kampala, although a 'natural' phenomenon, is a result of historical factors in the country. The situation has been further aggravated by policies that have been implemented by governments at different times. The unique position of Kampala that makes it the prime urban centre in the country serves to further increase the development imbalance noted in the discussion above.

The National Shelter Strategy laid a framework for developing the housing sector with the hope that all sectors of the population would benefit. It has also been acknowledged by government that so far efforts taken have not assisted the low-income earners to access housing in a more befitting way (Uganda Investment Authority, undated:3).

While poor households struggle to survive and even improve their living conditions there is little assistance extended to them by the state, let alone recognition of the role they play in the whole housing supply process. Public housing that was initiated in the late 1950s into the 1970s was unsustainable and could not help alleviate the existing housing problems in the city. It only served to benefit bureaucrats in government (Ouma, 1991).

In light of the complex nature of the various forms of housing existing in the city, careful study and understanding of the peculiarities these form is essential for the development of interventions that may lead to the improvement of living conditions of Kampala's low-income earners.

#### **4.0 EFFECTS OF URBANISATION ON HOUSING IN KAMPALA**

Effects of urbanisation on housing in Kampala is discussed looking at how low-income earners in the city access housing under conditions of scarce land supply and increased housing demand and urban poverty.

##### **4.1 Difficulty Associated With Land Supply**

Owing to rapid urbanisation, access to land for housing development has become an almost insurmountable challenge in Kampala. In recent years, the price of land has risen exponentially, making it unaffordable to many low and middle-income earners. The situation has been further aggravated by the multiple complex systems of land tenure in the city and land speculation (Mukiibi, 2008).

#### **4.2 Increased Housing Demand**

Rapid urban population growth has led to increase in housing demand that cannot be met by the existing housing delivery system. As the growth of the economy lags behind population growth this has resulted in less funds being available for development and maintenance of infrastructure, in increased unemployment, and in people being less able to afford basic housing and services. Kampala's housing needs have been growing over the years. In 1991, it was estimated that the city had a housing backlog of 44,228 housing units to house its population. It was also estimated that the public and private formal sector provides between 50 and 70 units, while the informal sector provides 200–300 units per year (Government of Uganda, 1992b). It was expected that, by 2006, the city's population would rise to 1,607,000 persons, with 244,400 housing units needed to house this population (Government of Uganda, 1992b). On the other hand, this need was found to have outstripped the estimate, reaching a figure of 302,136 housing units in addition to the existing 251,780 units, of which 25,178 needed replacement (Nyakana et al, 2007). On the other hand the city's population has grown drastically. Kampala city has a 1.5 million night population and about 2.5 million during the day, yet it was planned for 350,000 people (Oketch, 2010). This means that without interventions to improve housing supply or contain migration to the city, the housing situation in the city would considerably worsen in the coming years.

#### **4.3 Increased Urban Poverty**

The housing shortage in Kampala is not confined to low-income groups but is also acute among the medium income groups. Discussing the impact of micro-adjustment programmes on housing investment in Kampala city, Nuwagaba (2000) observes that the causes of the urban housing problem in Uganda are rooted in the country's turbulent history, inhibitive land tenure system, haphazard urbanisation and phenomenal demographic dynamics. According to UN-Habitat (2007:1), the growth of slums in Kampala is "*attributed to the failure of Kampala Structure Plans to cater for the growth and development of African neighbours, rapid population growth, land tenure systems that are complicated and multiple, poverty and low incomes*".

In addition to the above causes, urban poverty has also taken its share of contribution to the poor housing environment experienced in Kampala. In the past 20 years, unemployment and other conditions in Uganda have been worsened by the various International Monetary Fund and World Bank structural reform programmes (van der Hoven, 2000).

The challenge of finding decent shelter in Kampala is becoming greater than ever before for low-income earners. Rapid population growth of the city is increasing the number of people searching for accommodation daily. Much of this population growth has its root in rural-urban migration owing to large groups of people flooding urban areas in search for employment opportunities with better incomes. Fall in prices of agricultural produce worldwide has made the agricultural sector, the main source of income for rural population in Uganda, unattractive. This has led many young people to abandon rural areas in preference for urban life. Political instability of the past 30 years undermined economic development thereby affecting housing supply in the country. High inflation rates have also made it impossible for many poor people in Uganda to build houses for themselves. UN-Habitat (2007) observes that 38.9% of residents in Kampala live in abject poverty, lacking supportive social networks and infrastructure, safe water, sanitation, roads, with no secure tenure and high rates of unemployment.

Much of the housing in Kampala is supplied privately by developers with limited incomes. Such developers cannot supply decent shelter because of the costs involved that are often beyond their means. The provision of decent shelter is further undermined by the inability of potential tenants to pay for it because of their limited incomes. Hence, many poor people live in rental

accommodation. In the absence of a national social welfare system, poverty has made it difficult for poor people to access decent shelter. As a result of this situation, Kampala has seen mushrooming slums in areas of Kisenyi, Kasubi, Katwe, Kalerwe, Katanga, Bwaise, Kivvulu, Wandegeya, Nakulabye, Naguru II, Wabigalo and Kibuli.

## 5.0 CONCLUSION

Owing to rapid urbanisation in the country, there is a tendency for large numbers of people to move and settle in/peri-urban areas, especially of Kampala, leading to exponential expansion of the urban centres. As a result, such centres develop as unplanned settlements without adequate basic services. In addition, urbanisation has led to rising housing demand and housing shortage in the city, and urban poverty especially, among low-income earners, resulting in decreased housing affordability for decent shelter, and generally worsening housing conditions. In Uganda, the rapid urbanisation and poor performance of the economy have facilitated the formation of slums in areas, such as Kampala, with increased demand for housing.

Rural–urban migration has been detrimental to the rural labour market by depriving it of productive labour resource, negatively impacting the rural economy. Migrants to towns face difficulties in being integrated into the mainstream of urban society are often excluded from economic pursuits and denied access to basic human needs. As a result, many are condemned to live a life of misery and deprivation. On the other hand, rural migrants provide the much needed labour, as urban areas become the drivers of the economy.

It is imperative to examine the disparity between rural and urban areas. Persistent poverty has to be addressed as it is at the root cause of rural-urban migration. This has to be supplemented with the development of a national land-use policy to address land speculation and increasing land costs. At the same time, rental accommodation, which is the most affordable type of housing for low-income earners, should be given priority. This should be augmented with the development of an all inclusive housing finance mechanism.

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