

# Chapter 22

## Informal Housing and the Urban Poor: Experiences From Hawassa, Ethiopia

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### ABSTRACT

*This chapter examines the nexus between the housing market and the urban poor. Affordability, tenure security, and good governance were examined. The study has employed questionnaires, focus group discussion, key informant interview, and field observation to collect data. Mixed approaches were used for data analysis. The study has revealed that the poorer segment of the population in the study area has less likely benefited from formal housing schemes. Informal settlement areas seem affordable only to some households who have the economic potential in the early years of land transaction (2003/04-2005/06). Tenure insecurity has reached its climax first with the demolition of about 500 houses in the study kebeles in 2011 and then with the promulgation of the new land lease proclamation No721/2011. Decentralized administration has failed to ensure good governance. Therefore, more attention should be given to revisiting housing development programs and projects, taking preventive measures rather than reactive ones, promoting housing finance, and monitoring the decentralization process.*

### BACKGROUND AND JUSTIFICATION

Over the last 50 years, the world has witnessed a dramatic growth of its urban population, from about 29 percent of the world's population in 1950 to 48 percent by 2003. A recent United Nations projection indicated that from 2000 to 2030 the world's urban population will grow at an average annual rate of 1.8 percent, nearly double the rate expected for the total population of the world, and that the 50 percent mark was crossed in 2007. Indeed, the world's urban population is expected to rise to 61 percent by 2030. Population growth will be particularly rapid in the urban areas of so-called 'developing world', averaging 2.3 percent per year during 2000–30. The speed and scale of this growth pose major challenges, and

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monitoring these developments and creating sustainable urban environments remain crucial issues on the international development agenda (United Nations 2004 cited in Jenkins et al, 2007).

World-wide urbanization brings with it a wide range of challenges. One of these challenges is the problem of informal land ownership and lack of tenure security. UN Habitat (2004) emphasized that, especially in the developing world where most mega-cities are located and urbanization is particularly rapid and not necessarily controlled, providing good living conditions to urban populations is one of the main challenges of our time. In this regard, Abrams (1964) underlined that housing of the poor has remained a great challenge for governors of least developed countries (LDCs) since the early years of 1940s.

With a very rapid urbanization [this may occur due to rural urban migration or natural increase of the population or boundary redefinition], the demand for land increases creating a very huge gap between housing demand and supply for the poorer groups of people. The growth of large cities, particularly in developing countries, has been accompanied by an increase in urban poverty which tends to be concentrated in certain social groups and in particular locations (Ichimura, 2003). The urban poor in developing countries cannot afford houses that are professionally or formally surveyed, built and serviced. Hence, steep hillsides, swampy or flood plain offers good opportunities to the poor (Dwyer, 1975).

Informality occurs both in the city center and in the peri-urban area. But, it is prevalent in the peri-urban area where land is relatively cheap for the low income communities (Rees, 1992; Rees and Wackernagel, 1994). The prevalence of informal processes in the urban areas of the developing world, and in sub-Saharan Africa in particular, has been explained, first, as a response to the failure of statutory and customary tenure systems to meet the needs of lower-income groups; and second, as a reflection of the persistence of traditional practices of land delivery or the continuation of an organic process of human settlement evolution (Nkurunziza, 2007). McAuslan (1985) has noted that because of the widespread failings of state rules and procedures for land access or use, they have been variously described as inappropriate, alien, expensive and cumbersome. According to Muwonge (1978), it has been argued that attempts to reform dysfunctional state institutions have been undermined by powerful vested interests that benefit from them. Similarly, McAuslan (1985) puts it succinctly: “... *illegality in the lives of the urban poor could not survive if it did not suit many in the urban elite.*” Furthermore, Payne (2002) concurs with this assertion and pointed out that the present systems of land allocation and use benefit the urban elite who either run or have influence over city, and often national, governments. In the same fashion, Durand-Lasserve (1996) cited in Payne (2002) has pointed out that the high cost of land resulting from market forces and restrictive regulatory frameworks tend to exclude large number of peoples, especially the poor, from obtaining legal access to land and shelter. As a result non-formal tenure categories have expanded to fill the gap and are now the largest and most rapidly expanding category, including between 15 and 70 percent of total urban populations.

The responses of governments in different parts of the world to the proliferation of informal developments have ranged from hostility or benign neglect, to tolerance, acceptance and even support of informal actors (mainly the urban poor) (Nkurunziza, 2007). Similarly, William Doebele (1987) asserted that to respond the early phase of industrialization, major cities in LDCs have set aside public land holdings which is liberally tolerated for squatting. According to Doebele, LDCs tolerated squatting to mute the wage demands of the newly migrant poor by reducing their cost for housing. In the late 1950s and early 1960s, however, urban elites of many developing countries were frightened of crime, of disease,

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