

C No. 17



UNIVERSITY OF NAIROBI  
HOUSING RESEARCH AND DEVELOPMENT UNIT

HOUSING POLICY GUIDELINES  
FOR AFRICAN COUNTRIES

Author: N.O. Jorgensen, research fellow

Date: November 1972

Second edition: February 1978

Housing Research and Development Unit  
Ag. Director - J. Eygelaar  
P.O. Box 30197, Nairobi, Tel. 27441 ext. 212

Acc. No. 83/763



## 1. INTRODUCTION

### 1.1 Purpose of guidelines

The need for a realistic policy on housing becomes more and more apparent as the problems of uncontrolled settlements, especially in urban areas, assumes major proportions. In certain parts of Africa housing together with unemployment has become the biggest political issue. The two problems are of course related.

Therefore, whatever political system or party is prevailing, it is inevitable that housing is on its programme. Thus, sooner or later a housing policy has to be formulated and implemented if that party or system is to gain or retain the confidence of the people whom they are to serve.

Some have argued that industrialization or supporting the agricultural sector would eventually solve the housing problem, because - so the argument goes - once you have created a source of income for people, they will want, and be able to afford more and better housing. This line of argument may be partly responsible for the apparent lack of policy and planning for housing in major parts of Africa. To be sure, houses have appeared. Not enough, not in the right places and not up to the standards which are normally accepted for human habitation.

This result has naturally become an embarrassment to scores of public authorities and political leaders. Furthermore, as uncontrolled settlements grow in size they become more and more difficult to remove, let alone improve. On this basis it is obvious that an emphasis on industrialization or agriculture or any other sector of the economy at the expense of housing has created problems as bad, if not worse, than unemployment. The argument could as well run the other way, namely with emphasis on housing there will be incentive for industries of many kinds and better health standards, both of which will increase employment and income creation. This argument will be elaborated in the following chapters, but perhaps the most important contribution of housing to economic development is that of capital formation, which in turn will benefit investments in industry, agriculture etc., and increase aggregate consumption; and that, after all, is what is meant by a higher standard of living.

### 1.2 Definition of policy

A policy on housing can only be meaningful if it serves as a directive for the preparation of programmes in order to implement a housing plan.

Unfortunately policy statements often become of a very general nature, almost to the point where they are truisms, or where they say nothing, nothing at least, with which even extremes of political observations could disagree. For instance: 'Our policy is to strive towards a situation where a decent home is a common privilege for all our citizens, whether privately built or state-sponsored, which provides at least the basic standards of health, privacy and security.'

This is hardly enough. Even though it is the plan which spells out the actual definition of 'a decent home' in terms of building by-laws and the number of flats and individual houses which should be built by the public and private sector, it is the policy which places the plan in the context of overall development.

For instance it must state the role, which the government intends housing to play in the following fields:

1. - in the plan for social development
2. - in the plan for increased employment
3. - in the plan for regulating economic activity
4. - in the plan for the geographical distribution of the population
5. - in the plan for location of industrial, commercial and agricultural activities.

etc.

The purpose of this Policy Guidelines is, therefore, to describe the role which housing can play in these fields, in such a way that it leaves room for manoeuvre by individual governments according to their political objectives and special conditions.



The following list of contents will serve to illustrate what are some of the important considerations to be made in formulating a housing policy. The actual preparation of the housing plan must then reflect these considerations. The technical and administrative framework for the implementation of the programmes must adhere to the letter of the programmes and the spirit of the policy.

In brief, the logical sequence in dealing with the subject of housing in national development would be:

- FIRST to analyse the past and make predictions for the future (statistics);
- SECOND to formulate objectives and roles for housing in overall plan (policy);
- THIRD to set targets and goals for meeting the future need (plans);
- FOURTH to prepare detailed physical and economic lines of action (programmes);
- FIFTH to arrange for administrative and technical capacity (implementation).

---

1) Material on statistics, planning and implementation can be found in several U.N. publications, such as:  
Report of the Latin American Seminar on Housing Statistics and Programmes. Sales No. 63,II, G. 14  
Methods of Estimating Housing Needs. Sales No. 67,XVII,15.  
Methods of Estimating Targets and Standard for Housing Environmental Development. Sales No. E. IV.5.  
Basis of Housing Management. Sales No. E.68, IV 3.  
Housing in Africa. Sales No.



## 2. HOUSING PLAN

### 2.1. Housing need versus housing demand

Shelter is often classified along with food as a basic human need, which can be quantified in terms of certain minimum standards below which one cannot exist. Reality shows something different.

In warmer parts of the African region some people make do without shelter. The concept of decency and basic needs is closely related to income, tradition and climate, so that the NEED for housing is at best a very differentiated, temporary and localized factor. In addition, there is little use for a quantified NEED in terms of in terms of number of rooms of certain standards if capital and technical capacity are not available.

On the other hand it would be just as wrong to take the strict economic view of DEMAND for housing and say that demand and supply will always be equated by price so that at no time is there an excess of either demand or supply in housing, i.e. the price mechanism will take care of any disparities, albeit sometimes with a certain time-lag. The rule of thumb which says that the housing need is equal to half the population aged 27 is again an absolute ideal, - far out of reach for most countries.

A reformulation of the NEED would help to quantify it in the relative terms, which is the nature of housing, and make it realistic in terms of what the private and public sector can afford.

Thus, if income is taken as the guideline then the amount which can be afforded for housing is given.<sup>2</sup>

Those with no or very little income would have to be provided with some direct support ( a plot and/or a subsidy). Those with a fair income would only need loans from either public or private sources and the terms of this financing would determine the cost, and thereby the standard of their dwelling. The policy decision would be to draw the line between those needing direct support and those being able to manage without. The kind of public support to be provided is dealt with in a later chapter.

### 2.2. Preparation and terms of the Housing Plan

Just as defining the minimum standards for 'need' is a technical problem, to be solved within the given constraint of capital and other factors of production, so the terms of the housing plan must be made to coincide with the plans for all the other sectors of the economy. In fact, the National Development Plan, which will be an increasingly necessary tool in a comprehensive formulation of policy of any government, must be prepared in such a way that there is close correspondance between the allocation of resources to and from each sector.

In the most sophisticated form this would amount to a complete 'input - output model' of the economy. Although this is unrealistic for most countries in the region, attempts should of course be made. But uncertainties of the future and especially lack of sufficiently reliable statistics of the past will make this method a rather theoretical exercise for some years to come.

However, it is not too sophisticated to make a National Development Plan which covers the next five years. This term has not only a tradition in the history of planning, but for many developing countries it is also a workable span of time, considering the uncertainties and the time in which the plans are going to have effect. In the housing sector, as in some other sectors, the things to plan before a fully developed community has actually materialized would call for a much longer term of planning. Therefore, the planning techniques must be developed to such an extent, that as for housing, the longer term plans for such things as: the town and regional

---

2) The propensity to consume housing is normally quoted at 25% of income though surveys show that this percentage varies from around 35% in very low income groups to 10% in the higher income groups.



plans, the acquisition of land, plans for roads, communications and power must be at least 10 years ahead, but at the same time flexible enough to allow for changes. In fact alternative plans can be made to different situations.

The chapter on housing in the National Development Plan should include the following specific information:

1. The number and type of dwellings to be constructed by the private and public sector respectively, - and when.
2. Where these dwellings are expected, regionally as well as in specific locations and in specific areas of urban centres.
3. How the funds for these dwellings are to be provided and, in the case of the private sector, how, if necessary, incentives are to be created. Also how the financial institutions are to assist.
4. How much in the way of material, equipment and man-power is needed to reach the targets and how these factors are to be made available.

The amount of funds allocated to the housing sector as compared with the other sectors will determine to some extent what can be done, but it becomes very much a policy question how much should be left to the private and how much is public responsibility.

A popular held view in many African countries is that 'we set our targets, and what the private sector does not supply must be the responsibility of the public sector' Apart from the deficiencies which result from this attitude it introduces a vast amount of uncertainty into the plan and it ignores the importance of incentives for the private sector, especially the quite impressive efforts of the poorest part of the private sector which are clearly visible in and around urban areas.

This activity could be channelled into much more desirable housing given some modest incentives, such as small loans or even just a proper type-plan and layout, from the public sector. In fact it has been the rule rather than the exception with regard to urban housing that the planners went into the field to plot the new developments on their maps rather than preparing the maps for the new developments. This is clearly what a plan is meant to avoid, and if manpower or other technical capacity is the problem in producing proper plans, then these must be acquired first of all, and funds for this be considered the most important expenditure.



### 3. GENERAL HOUSING POLICY CONSIDERATIONS

#### 3.1 The housing sector in the general context of development

In the public budget, housing competes with all the other sectors for funds. It is not the purpose of this paper to give a specific percentage of the budget which should go to housing, as that is determined only the relative importance of housing in a given country, but also by the extent to which the private sector caters for the need.<sup>3</sup>

Suffice it to say that the magnitude of the problem of housing as it presents itself now is a clear indication that the housing sector has not received sufficient attention in the past.

Perhaps the attention to be given is not necessarily in terms of more funds. It often appears that mere planning, incentives and above all a clear policy would have made a great deal of difference. \*

Housing is unique in the development process in that it is a prerequisite as well as an objective. Following the case for housing made earlier: Even if there is no work to do people must have a place to stay, - however modest.

Their health and efficiency is very directly affected by their housing conditions<sup>4</sup> and the construction industry itself has a very high, if not the highest, accelerator effect on the rest of the economy, among all industries. Just to complete the picture it could be added that experience has shown that houses, as an asset, rarely depreciate in value, rather they appreciate with overall development, provided they are maintained. The social and political benefits of proper housing need not be reiterated, but can hardly be overestimated.

Just as important as housing are the services that must go with housing, because, as will be shown later on, it is the lack of services and proper planning which make for slums.

Therefore, both the planning and the services for housing should be included in the expenditure for housing, regardless of whether the structures which eventually go up are built by the public or the private sector.

#### 3.2. Housing construction as regulatory tool for economic fluctuations

There are several reasons why the accelerator effect of the construction industry is so strong. Firstly, it is a very basic industry using for the most part local raw materials and local labour; secondly, it is labour intensive; thirdly, the demand is very differentiated; and fourthly, the final product is income-producing and of a comparatively long life. It is therefore only natural that construction activity should be used with some discretion in the guidance of the economy as such. This is done both to stimulate and to slow down economic activity in some countries in Europe, especially where the public sector is responsible for housing. In the less developed countries the main problem is to stimulate economic activity and employment. For some years to come there would therefore not be the need to slow down development, but there may be situations where scarce resources need shifting either to another region or another activity.

One of these situations, it is claimed, is when the balance of payment is so adversely affected by rapid development that export promoting and import substituting industries should receive special attention.

In such circumstances housing would seem to be deemed to suffer, because it does have an import content and no export contribution, - directly. However, the local producer of building materials, such as timber and cement, may very well rely on their home-markets as a stable base for

---

3) Surveys indicate that 15-20% of G.C.F. (or 5% of G.N.P.) are normal for housing expenditures in African countries.

4) See International Housing Productivity Studies by the Graduate School of Business, University of California, Los Angeles.