

**THE DEVELOPMENT OF LOW INCOME URBAN HOUSING MARKETS: A
CASE STUDY OF THE REPUBLIC OF BOTSWANA**

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Introduction

Over the last fifty years population growth and urbanisation have proceeded rapidly in Latin America, Asia and Africa, and now most of the world's largest cities are located in these regions. In 1950 London was the largest city in the world; now its population is only a third that of Mexico City, and places such as Sao Paulo and Calcutta dwarf European capitals like Paris, Rome and Stockholm. The mega-cities of the developing world represent one vision of the future of urbanisation, but they can also be seen as extreme cases and only part of a much wider process of urban growth that has affected virtually all countries to a greater or lesser extent. Underlying this paper is the conviction that it continues to be important to carry out research in smaller cities, and that valuable insights can be obtained from studies of cities of quite different magnitudes. Conclusions drawn from research on mega-cities may not be applicable to smaller cities, which may be, in fact, more representative of the majority of urban settlements. Gilbert (1991: 97) has suggested that there are no simple explanations of low income housing behaviour, and that it is correct to draw different conclusions from different places. The objective of this paper, therefore, is to consider the factors affecting the development of low income housing markets, with particular reference to a study of Botswana, one of the least urbanised countries in the entire world. The paper is a preliminary output from the project, and as such it is concerned mainly with clarifying the questions and issues to be explored through empirical research in the coming months. The structure of the paper is that the next section reviews some key themes in the literature on low income housing in developing countries, and this is followed by a section looking at the Botswana context. An account of policy development in Botswana leads into a discussion of policy outcomes and a preliminary evaluation of the sites and services strategy. The final section seeks to clarify the research issues emerging from the paper as a whole.

The Wider Context

There is now an extensive body of research and analysis examining urbanisation in developing countries, and much has been written about the ways in which the urban poor have been accommodated. A thorough review of this material is beyond the scope of this paper (see Pugh, 1997, Gilbert, 1992), but in order to locate the Botswana case study in a wider context it is appropriate to ask what the academic literature has to say about the development of low income housing markets in third world countries. Accounts typically refer to: i) the recycling of multi-occupied and sub-divided central area properties vacated or abandoned by the better off as they moved out to the suburbs, ii) land invasions and the development of informal settlements and iii) the struggles of the public authorities to keep pace in terms of affordable housing and basic services. In many developing countries some cities have been relatively large for quite long periods of time, and therefore there is the potential

for the successional use of buildings and neighbourhoods that has long been recognised as a feature of North American and European cities. These situations provide the infrastructure for the development of both low income home ownership and private rental markets. The informal settlements that are so characteristic of third world cities have also been recognised as having the potential to develop into mature residential neighbourhoods and housing markets as the first land-grabbers gradually secure proper title and consolidate their position. However, insights from research on recycling and informal settlements have little purchase on the situation in Botswana, where the urban infrastructure is too limited and of too recent origin, and where the development of informal settlements has been largely prevented.

In terms of policy responses, the evidence suggests that there has been a drift away from public sector provision of rented accommodation towards greater reliance on various forms of self-help housing. Stren (1990) argues that there have been three phases of policy development: state housing from the 1950s to the early 1970s, aided self-help from then until the early 1980s, and what he calls the management and infrastructure phase. According to this view, the construction of large estates of rental housing was one of the hallmarks of late colonial policy in Africa in the period after the Second World War, up to and beyond the achievement of independence by many countries in the early 1960s. In anglophone southern Africa renting from public authorities was a reflection of the fact that black people were regarded as temporary urban residents, and were not permitted to own land in urban areas. Eventually public renting was seen to have failed (Ikejiofor, 1999) on two main grounds, cost and equity. Public rental housing was expensive and heavily subsidised, yet failed to reach people on low incomes, benefiting instead mainly people on higher than average incomes. The provision of complete, high quality, rental housing was also criticised by those, notably John Turner (Turner and Fichter, 1972, Turner, 1976), who argued that it was alienating and dehumanising. This critique lent support to the growth of aided self-help housing, which was seen as more affordable, better targeted on low income people and intrinsically more satisfying to the individual. From 1972 onwards the World Bank threw its considerable ideological weight and spending power behind various forms of aided self-help.

Underlying self-help housing is an implicit home ownership model of housing provision, and, as Kumar (1996: 753) has observed, 'low income housing policy has unequivocally focused on promoting owner occupation'. It is also the case that in third world countries, as elsewhere, survey evidence consistently shows that large majorities of respondents aspire to home ownership (Gilbert and Varley, 1991: 93, Gilbert, 1991: 92, Gilbert et al, 1997). Not surprisingly, governments seek to satisfy this preference, and self-help appeared to both a means of doing so without unacceptable public subsidy. Whilst Gilbert (1992: 439) is no doubt correct to say that, '...there are few among the poor who will lament this general shift in policy, since few gained access to public housing programmes anyway', there are grounds for caution. Amis (1990: 20) refers to the commodification of low income housing as the dominant process throughout Africa, and there are good grounds for scepticism about the appropriateness of the market as a means of distributing housing to people with very little purchasing power. However, according to Stren (1990), this was not the only factor that brought self-help solutions into question. He suggests that by the early 1980s aided self-help was in trouble, partly because critics pointed out that the poor

did not benefit, but also because subsidy levels were too high. In the same vein Rakodi and Withers (1995: 373-4) say that, 'Most African countries learnt in the 1960s and early 1970s that to insist on relatively high standards in self-help schemes was to ensure that they either needed subsidy on a scale unaffordable to government or were only accessible to middle income households'. They go on to show that in Zimbabwe continued insistence on high standards has resulted in concerns about affordability. A third factor cited by Stren in the declining popularity of aided self-help was that as economic difficulties intensified in many countries governments struggled to maintain the quality of basic services such as water supply, roads and public buildings. In this situation, he says, governments tended to divert scarce resources into maintaining infrastructure, at the expense of housing. He also approvingly quotes the argument that, 'the extension of public services is the most cost effective policy instrument for expanding the supply of urban housing, damping land price increases, stimulating private investment in shelter' (Linn, 1983: 183).

The continuing dominant role of aided self-help in Botswana demonstrates that Stren's notion of phases in policy development cannot be applied everywhere or with any precision. Even in countries where policy has moved on from aided self-help, schemes established in the past are still there, inviting the question, how are they developing in the medium term? Rakodi and Withers (1995: 372) have pointed out that evaluations of these schemes are often carried out soon after completion, and that:

In practice, initial evaluations tend to focus on the characteristics of, and housing produced by successful beneficiaries, whether or not these fall within the intended target group. However, housing markets have not only wider geographic but also longitudinal dimensions. Sites and services schemes are permanent housing areas with a life of many decades, in which a complex process of house exchange establishes itself over time (ibid, 380).

This in a sense echoes the point made by Ward (1982: 175), who pointed out that research had failed to look at the way self-help schemes were consolidated over time: 'It was assumed that squatters who participated in an invasion at the outset were still resident in the settlement a generation or so later'. A key question, therefore, concerns the ways in which areas, and markets within areas, develop in the longer term. Of particular interest is the way in which markets develop in publicly sponsored sites and services areas, which may be seen as prefiguring the development of owner occupier housing markets, but where policy and procedure may militate against it.

The promotion of sites and services schemes was based on support for home ownership, and for some years research tended to neglect rental markets. Gilbert (1991: 88), for example, wrote that:

Too much of the planning literature has ignored tenants, blithely assuming that every family both wished and was able to become self-help owners. As a result tenants became invisible.

However, over the last decade the situation has changed; much more research has been carried out and as a result there is more information on both the extent and nature of rental housing markets in developing countries (for a review see Rakodi,

1995). 'Ten years ago it was easy to argue that we knew little or nothing about rental housing in Third World cities. Today, we know a great deal more' (Gilbert et al, 1997: 134). Research has been conducted to describe not only the size of the market but also the types of households who rent, their incomes, the amount and quality of their housing and the rent that they pay for it. The rediscovery of renting, and the emergence of evidence suggesting that it continues to be important, has helped to change our understanding of the dynamics of third world urbanism. The revelation that in many cities significant proportions of people were renting their accommodation was clearly a challenge to the twin assumptions that everyone wanted to own and that they could do so. The key question became, why do some people rent? Do they rent because they have no option, or do they positively choose to do so? It is tempting to see renting as the result of constraints (depicting tenants as frustrated home owners), reflecting factors such as increasingly difficult access to land and/or affordability. However, Gilbert and Varley (1990: 105) looked at evidence from two Mexican cities and came to the perhaps rather equivocal conclusion that 'a simple constraint model does not adequately explain residential decision making'.

In addition to understanding why people rent it is, as Kumar (1996) has pointed out, necessary to ask why others become landlords. Among the most significant discoveries concerning rental housing markets in the developing world are, first, that many landlords are scarcely any better off than their tenants, second, that large proportions of landlords are what Kumar (1992) refers to as subsistence landlords, ie people who let out part of their own house in order to augment a low income, and third, that a large proportion of households living on government sponsored sites and services schemes are commonly found to be tenants rather than ploholders - in other words ploholders are acting as subsistence landlords. In Zimbabwe, for example, Rakodi and Withers (1995: 386) found that, 'Half or more of the households for whom serviced plot programmes provide housing...are tenants rather than owner occupiers'. They go on to say that, 'Some of these choose to rent, because it suits them at a particular stage in the household life cycle, or because they have incomes too low to afford owner occupation even at realistic standards of infrastructure provision and house construction. The majority, however, rent because they cannot get access to home ownership, due to the inadequate quantity of housing produced, because they do not satisfy the waiting list and building society criteria...or because of the unnecessarily high cost of participation'. This focus on renters requires to be balanced by attention on landlords: it is just as important to ask why there is a supply of rented accommodation in sites and services areas. Just as the demand can be explained in terms of the economics of home ownership, so, perhaps, can the supply. If some people rent because they cannot afford to become ploholders, then it is possible that some ploholders have to become subsistence landlords in order to hang on to their plot. This kind of analysis is not well represented in the existing literature, but, given the known high level of renting in sites and services areas in Botswana, it provides a useful basis for the case study.

The Botswana Context

On the face it of Botswana is not the most obvious place in which to study urban housing markets. However, there are factors that make Botswana a particularly interesting case study. First, it provides an opportunity to look at how housing markets

develop from scratch: as recently as the mid-1960s there was nothing that could be depicted as a market in housing. Unlike neighbouring countries, there had been only insignificant numbers of white settlers and therefore none of the urban and financial development associated with colonialism. Second, a large majority of the low income urban population is accommodated in publicly promoted and managed sites and services schemes, rather than in informal settlements. These schemes therefore provide an opportunity to observe whether and how housing markets develop in rather more controlled conditions, that are very different from those found in the vast informal settlements of some third world cities, such as Lagos, Nairobi or Lusaka.

Botswana is a large country (the size of France), but with a very small population, estimated to be 1.4 million in 1997. The majority of the people live in the eastern part of the country, where the rainfall is higher and the soil is more fertile. The largest town is the capital, Gaborone, with a current population of around 150,000. During the colonial period in Africa Botswana (then known as Bechuanaland) was subject to an 'extraordinary degree of neglect' (Harvey and Lewis, 1990: 15), to the extent that right up to the time of independence in 1966 the territory was externally administered, from Mafeking, across the border in South Africa. As a result the new country inherited minimal urban infrastructure - the urban population was less than 5 per cent, there were no tarred roads between the towns (which were themselves few and far between), and very little industry. Despite the generally arid climate agriculture was the largest sector of the economy and there was an export trade in beef. Botswana in the mid-1960s has been described as 'an extreme example of an economy exporting almost everything produced and importing almost everything consumed' (Harvey and Lewis, 1990: 24).

However, in the years following independence the economy was transformed by the discovery and exploitation of mineral reserves, principally diamonds, which have produced buoyant revenues for the government. By 1986 mining represented nearly half of GDP (Harvey and Lewis, 1990: 32). Whereas in the mid-1960s Botswana was expected to be dependent on international development aid in the long term, in fact over the next twenty years its economic growth was the fastest in the world:

The growth of the Botswana economy transformed it from one of the poorest countries in the world in 1966, to a middle-income economy, with income per person some eight or nine times that of the poorest countries, in the mid-1980s (Harvey and Lewis, 1990: 29).

The economic growth achieved by Botswana, especially in the 1980s, stood in marked contrast to the experience of many other developing countries, particularly in Africa (Gilbert, 1992: 435-6). Growth continued to be impressive in the 1990s, and some writers have been led to characterise Botswana as an African economic success story, but rising unemployment, persistent poverty and widening income inequality remain, because although the mining industry generated great wealth it created very few jobs. In 1997 20 per cent of the urban population was considered to be 'poor' and 9 per cent 'very poor' (rural poverty is recognised to be at higher levels) (GHK International, 1999: 8). Unemployment was estimated to be 20 per cent in 1998, and there is no social security system. It has been claimed that Botswana has the most inequitable income distribution in the world (Datta, 1996: 238). Having said that, the ownership

of land throughout most of the country remains based on the traditional system of communal ownership, under which local leaders allocated plots to new households without charge, and it remains the case today that every citizen is entitled to a free plot on which to build a house in a rural area, together with land for grazing and crop growing. It should be noted that traditionally the Batswana lived in very large villages, but also had huts at the cattle posts and 'lands' areas (where crops were grown), and these were often some kilometres from the main home. In this sense, access to land is not a problem to the same extent that is often identified in other countries - in Botswana there is so much land and so few people, and, unlike in neighbouring Zimbabwe and South Africa, access to land was not politicised by the actions of white colonists. In effect it is only within the designated urban areas that land supply, and access to it, has become a contentious issue, as discussed in a later section.

At independence certain areas were designated as urban, and here the traditional land ownership and distribution system ceased to operate. In designated urban areas freehold ownership of land became possible, allowing the development of a housing market in a way that cannot happen in rural areas. It is important to recognise that in Botswana there continues to be this distinction between urban and rural land ownership systems, not least because of the impact that it has on the demand for plots in the peri-urban rural villages around Gaborone and other towns.

A final contextual note is that politically Botswana is a stable parliamentary democracy, albeit one in which the same party has been in power ever since independence.

Housing and Housing Policy Since Independence

Housing was not the top priority of the government that assumed power in 1966, and it was not until 1982 that a formal statement of housing policy was produced. The National Policy on Housing covered a number of major issues on both the demand and supply sides, including institutional capacity, roles of public and private sectors, subsidies, rental policy, housing standards and rural housing. The policy was intended to meet both short and long term goals. The long term goal was to ensure safe and sanitary housing for everyone. The two short term goals were:

- i) to encourage the building of new urban housing for all income levels at a pace which will ensure that no citizen of an urban area is forced to reside in an unauthorised settlement,
- ii) to begin improving the quality of housing in rural areas by offering government assistance in the form of additional village and regional planning, and the introduction of a modified version of the self-help sites and services scheme following a study of that issue.

The housing strategy designed to achieve these goals included:

- i) emphasising the role of housing in the national development plans, including the preparation of a comprehensive housing plan and the creation of a housing division within government,

- ii) gradual reduction of housing subsidies and redirecting them to middle and lower income housing, to the rural areas and to housing investments. This would allow rents to rise to economic levels.
- iii) Withdrawal of government from the construction of higher cost housing by strengthening the private sector to undertake this responsibility. Government would concentrate on the lower cost housing problems, stressing the adoption of lower standards.
- iv) Methods of determining rental policies should be uniform.
- v) The commercial banks and the Botswana Building Society should lend to the lower income and rural households.
- vi) Mine towns should conform to urban housing policies.
- vii) The National Development Bank should be expected to play a more important role in the utilisation of domestic funds and making housing loans in rural areas when it has the administrative capacity to do so.
- viii) Allowing the sale of Botswana Housing Corporation 'pool' houses if they are in surplus, and sale of surplus government owned houses in rural areas.

Before the formulation of the national housing policy a number of developments had already occurred, the most important of which were the establishment of the Botswana Housing Corporation (BHC) in 1970, and the adoption in 1973 of self-help solutions managed by Self-Help Housing Agencies (SHHA). The BHC was established as a parastatal organisation, mainly to provide housing for rent or sale for government employees and expatriates, and it continues to be the case that 40 per cent of vacancies are allocated to the government for distribution among civil servants and employees of parastatal bodies. Altogether the BHC has built 17,000 houses in urban areas, in three categories, high, medium and low rent, but in recent years its stock has been declining because of a requirement to offer its houses for sale. In line with its more commercial approach, BHC is now building houses on the basis of proven demand and is no longer maintaining a waiting list. Since 1997 BHC has sold about 1,200 properties under the terms of its tenant purchase scheme. In urban areas there is a small private sector, amounting to about 10 per cent of the stock, established by the sale of leases and freeholds, invariably serving the well off elite (Harvey and Lewis, 1990: 261-2), while at the opposite end of the income scale there is a small amount of informal settlement (squatting). Informal areas appeared in Gaborone and Francistown soon after independence, set up by low income workers migrating to these expanding towns, and the Old Naledi area of Gaborone still exists, albeit somewhat upgraded. In general, however, squatting has not been a feature of urbanisation in Botswana, and the largest housing sector, representing about 45 per cent of the urban housing stock, is accounted for by sites and services schemes, administered by SHHAs, which are themselves under the aegis of the town councils. Self-help in SHHA schemes is the

main policy aimed at the urban poor, and therefore requires detailed examination and evaluation.

The SHHA approach, relying on plottolders' own labour and/or other resources, can be seen as both an urban form of traditional self-provisioning and a policy, which, at the time of its inception, was directly in line with the nostrums of the international funding bodies and their expert advisers. It is targeted at low income people, and anyone with an income above a specified ceiling level is ineligible. Equally, plottolders need a certain level of income in order to be able to afford loan repayments and other costs, and therefore there is also a specified minimum income requirement. Although the details have changed over time (in ways discussed below) the basics have remained the same: the government marks out roads and plots and provides plottolders with some services (chiefly water supply and refuse collection), building loans and technical advice. For their part plottolders are expected to build a core dwelling, conforming to local building regulations, within two years, and to pay a service charge and meet loan repayments. In early SHHA areas the roads were not surfaced, water supply was in the form of stand pipes (one for twenty families) and sanitation was by means of pit latrines. But plot sizes were a generous 450 sq. m., reflecting traditional practice.

Over time there have been some changes in SHHA policy. Plot sizes have been reduced to a new norm of 375 sq. m., but in other respects standards have improved, in the sense that now roads are surfaced, every plottolder is provided with their own tap, and sanitation is by water borne sewerage. (In a country where droughts and water shortages are normal there are questions to be asked about the capacity to meet the implied increased demand for water.) Another important change, especially in relation to the development of a housing market, is that whereas initially plottolders were given a Certificate of Rights (COR), which was not transferable, now they are given a transferable Fixed Period State Grant (FPSG) (a 99 year lease). Certificate holders can convert to FPSG status, but at a price reflecting the need for a professional survey. These changes stemmed from a shift in policy in 1987 when the Accelerated Land Servicing Programme (ALSP) was introduced. This was a plan to bring 30,000 serviced plots into operation between 1987 and 1992. At the same time it was decided to require plot holders in the newly released areas to pay the market price for their plots - previously they had been allocated without charge. It seems reasonable to conclude from this sequence of events that, as originally conceived, SHHA housing was not intended to develop into an active housing market. In much the same way, self-help policy in Zimbabwe was based on active discouragement of buying and selling (Teedon, 1990), but in both countries it has proved impossible to buck the market. Plot holders who are unable to develop are required to give back their plot to the local SHHA, and in return they receive a refund of the purchase price less penalty fees. SHHA plot holders who sell developed plots within ten years of allocation are not allowed to register on the waiting list for a period of five years. They are also required to pay a penalty (lien) amounting to the difference between the market price of the plot and the initial purchase price.

Before leaving this section it is necessary to refer to the development of the sort of savings and loans system that is conventionally seen as a requirement for the successful growth of a home ownership market. Traditionally the Batswana stored

their wealth in cattle rather than in financial institutions and there is just one building society, the Botswana Building Society, which was previously a branch of a South African society. There is also the Botswana Savings Bank, providing an alternative home for personal savings. Commercial banks also offer, in principle at least, loans for housing finance, but in practice their rates are prohibitive.

Evaluating Policy Outcomes

Unsurprisingly, there has been little published academic research aimed at the evaluation of housing policy in Botswana. However, there have been official evaluations of SHHA (Ministry of Local Government and Lands, 1983, 1992), and in 1997 the government carried out a policy review (the results of which have not yet been published). Conventional evaluation of sites and services strategies would focus on questions of the balance between demand and supply, the affordability of loans and service charges and cost recovery rates. Is there an adequate flow of serviced plots to meet demand? Are plots affordable to the target population, and what happens to those too poor to qualify? There are also interesting questions about how plot holders develop their dwellings: do they invest their own labour or do they rely others, either friends and relatives or contractors? How do they finance their dwelling, and how do they consolidate it over time?

Datta (1996) has argued that building standards in Botswana are higher than in other African countries, and that they are too high in relation to ability to pay; therefore subsidy has been necessary, despite a general policy presumption in favour of full cost recovery. He criticises BHC for its low rents relative to the market, and the 'unrealistically long waiting lists' that result from price distortions. Harvey and Lewis (1990: 261) make much the same point. BHC can also be criticised for subsidising the better off to live in high standard housing, while doing nothing for the poor. In other words, housing subsidies are very badly targeted.

SHHA areas represent the predominant land use in Gaborone and accommodate the majority of the urban population. These areas are inevitably very diverse, reflecting the different dates at which plots were first occupied and the different levels of resources, skills and energy available to individual plot holders. On SHHA, Datta (1996: 241) says that 'On the face of it, self-help housing projects have been hugely successful in Botswana especially when compared to the performance of other African countries', but he then goes on to list a number of reservations. First, according to Datta, SHHA has been heavily subsidised, in that initially plots were allocated free of charge, building materials loans were at subsidised rates of interest and service levies were well below cost recovery levels. It can be responded that since people were accustomed to free land in rural areas it was a necessary expedient to provide free plots in town in order to secure acceptance of the SHHA idea. Second, there is the problem that SHHA fails to reach the poorest, because so many people have incomes below the threshold. Third, Datta refers to the phenomenon known as 'fronting', whereby poor households obtain a plot which is later sold by the plot holder to a better off family whose income would disqualify them from a newly marked out plot. Fronting was more likely to have occurred in the days before the introduction of transferable title. Fourth, in the early years, and especially in the 1980s, there was a shortage of serviced plots and therefore very long waiting lists arose. However, fifth,

the accelerated land servicing programme, which was accompanied by the introduction of higher standards of servicing and market pricing for new plots, resulted initially in a supply of serviced plots that were not readily taken up. Finally, there is the long established problem of poor cost recovery performance by the SHHA authorities, with high levels of arrears in terms of both service levies and loan repayments.

These criticisms are largely endorsed by the Gaborone housing needs assessment (GHK International, 1999: 22-25). For example, 'In effect, the SHHA programme has been increasingly removed from its objective of addressing the needs of low income groups. Instead, the SHHA now acts, to a large extent, as a delivery mechanism for housing the 'rich poor' and the lower-middle income groups'. This is supported by Datta's (1996: 240) statement that the value of a self-help house increased by six times the rate of general inflation during 1982-87. The progressive exclusion of the least well off tends to force them into renting rooms or huts on SHHA plots, and it is generally accepted that a majority of households living in SHHA areas are not plot holders but tenants and sub-tenants. Datta (1996: 241) says that 58 per cent of SHHA occupants are not plot holders, but he also says that 3 out of 5 households take tenants. If every plot holder took one tenant then clearly 50 per cent of occupants would be tenants, so Datta's figures can be taken to imply that some people are taking more than one tenant. This conclusion is supported by the housing needs report, which suggests that there are on average 12 people per plot, which it translates as 2.5-3 households (GHK International, 1999: 23). Large amount of renting in sites and services areas has also been observed in Zimbabwe (Rakodi and Withers, 1995: 383). The Gaborone housing needs report is also critical of the policy of maintaining what it sees as high building standards, which are not affordable by the poor, and which are, apparently, 'well above the minimum needed to ensure satisfactory environmental health and safety'. The report goes on to criticise the costs of security of tenure in SHHA areas. The poorest plot holders, it is argued, cannot afford the cost of the survey required to obtain the FPSG. Raising the income threshold for access to SHHA obviously has the effect of excluding more people on low incomes, and it is estimated that 30-40 per cent of the poor in Gaborone are now unable to afford a plot (GHK International, 1999: 25). Increasing the size of the building materials loan clearly is of no benefit to the least well off, yet it remains well below the cost of constructing a basic dwelling to the required standard. It is interesting that the report is also critical of the tendency to resort to subsidy as a means of tackling these problems, rather than cutting standards. However, in a country with such buoyant state revenues and such a large group of poor people with such limited access to formal employment, surely there is a case for using subsidised housing as a valid means of redistribution?

On the question of renting, Datta (1996: 242-3) refers to the insecurity of tenants of subsistence landlords, the lack of formal tenancy agreements, the inferior quality of their accommodation and their vulnerability to exploitation. Not surprisingly, his evidence suggested that a large majority of tenants in SHHA areas aspired to their own plot.

Emerging Issues for Research

Markets are dynamic, responding to changing political and economic conditions, not to mention developments in the advice flowing from the international agencies. As shown in a previous section, forms of home ownership have been at the heart of housing strategies in most countries, although renting in third world cities was rediscovered as a flourishing market sector by the academic community a decade ago. What seems not to have been explored is the way in which markets for rental and owner occupied housing work together, the one underpinning the other. In general it is clear that households often rent before attempting to buy, and that tenants provide the flow of buyers that is necessary to maintain a functioning housing market. But in the specific situation of a country such as Botswana where self-help sites and services housing is the only real policy for low income households, there are interesting questions to be asked about how markets develop. The obvious line of enquiry is to focus on how, and how far, SHHA schemes develop into functioning owner occupier housing markets. Is there an active trade in plots, and, if so, how big is this market, and what drives it? Are people moving to obtain a better house or a more desirable location? Is the market driven by existing plot holders whose incomes have risen and who wish to move to a better house or more prestigious address? Or is growth primarily due to new entrants, people who were not previously plot holders? How is the exchange process managed? Are there estate agents, lawyers and surveyors making a living from the housing market? How do buyers finance their purchase?

There are also distributional questions about the development of owner occupier housing markets in SHHA areas in the longer term. Does the emergence of market forces mean that in the long run SHHA areas will be 'gentrified' (to borrow a rather unsuitable European term), or will the opposite happen - are SHHA areas destined always to be concentrations of poverty and poor housing? Are the poor squeezed out of certain areas - are they, perhaps, pushed out of older neighbourhoods closer to the city centre? Or does the improved servicing of more recent, but more distantly located, areas prove to be more attractive to the better off? From a policy perspective perhaps the two most important questions are about, first, how the least well off are affected by the potential transformation of self help housing schemes into housing markets, and second, how the emergence of the market affects the incentive of plottolders to invest in their dwellings. For some plottolders commodification might prove to be an incentive to move on - low income occupiers on high value sites, for example, might lack the resources to consolidate their home and might be tempted to realise the value of their plot, moving into renting or back to a rural area. Others might also decide not to invest further in their existing home. In the British context the conventional wisdom is that location is the key determinant of value, and that therefore there is a limit to the return to be gained from investment in properties in low value areas. Applying this kind of thinking to SHHA areas the conclusion might be that plottolders whose incomes rose would be wiser to move rather than to go on improving their existing dwelling. The empirical questions to be explored are what do they do in practice and how do they make their decisions?

Turning to the development of the rental housing market, the literature has concentrated on questions about choice and constraint. Here it is important to ask about both demand and supply: why do some people rent their housing and why do others take tenants? In the case of Botswana the situation is quite distinct from cities where capitalist landlords can take over and sub-divide large inner urban properties

vacated by middle class movers departing for the suburbs. In Gaborone, effectively built from scratch since 1966, there is no property of this kind, and no landlord class ready to exploit the opportunity. The alternative of squatting is also not generally available, and therefore the question arises as to how rural migrants secure shelter in the towns of Botswana. Private renting in Botswana is largely based on letting or subletting by subsistence landlords, ie SHHA plotters who rely on a trickle of rent from their tenants to meet the costs of home ownership. Thus it seems that SHHA cannot be evaluated without detailed understanding of the role of renting in the economics of ownership. The owner occupier market cannot be separated from the private rental market, because the latter is nested within the former (to a far greater extent than is found in Britain). The hypothesis to be explored is that for a majority of low income plot holders in SHHA areas, home ownership is viable only if they take in tenants. In other words, owner occupation in SHHA areas seems to work only if a majority of occupiers are not owners. If this is shown to be correct then it has important policy implications, because, as has been argued above, private renting in Botswana seems to have developed as an unintended outcome of policy, and yet if it is actually a necessary condition of the success of the policy of self help then arguably it needs to be given greater consideration within the scope of housing strategy. Given the government's preference for home ownership, which is shared by a large proportion of the population, it is important to face up to the implications of a situation in which it appears that for some to own others must rent. From an academic point of view it might be seen as a contradiction that the success of the home ownership strategy depends on large numbers of people continuing to rent, the inference being that unlike in countries such as Britain, where as home ownership expands renting declines, in Botswana it seems that a larger owner occupier sector requires a larger number of renters. Nevertheless, in the short term the present arrangements may be seen as satisfactory from the government's point of view, since sub-letting seems to make plotters in SHHA areas more affordable for more of the target population, while at the same time providing accommodation for people who might otherwise resort to unauthorised informal settlements.

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