

## EXECUTIVE SUMMARY

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### **Informal settlements in Namibia: their nature and growth**

#### **Exploring ways to make Namibian urban development more socially just and inclusive**

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#### **Introduction**

Namibia is undergoing a rapid and major transition from a rural-based society to one based largely in urban areas. This transition is most visible in rapid urban growth, especially in informal settlements that accommodate poor families in shacks on the edges of towns. The economic, social and environmental costs of informal growth and unplanned urban development are huge for Namibia as a country and as a society. New forms of poverty and inequality will be entrenched over generations to come if towns fail to develop in ways that facilitate the transition from rural to urban society. By many standards, the continuous rapid growth of informal settlements is one of Namibia's biggest development challenges.

#### **Informal settlement growth in Namibia**

The research that resulted in this publication assessed informal settlement growth based on numbers from census data from 1991, 2001 and 2011. More than 77,000 shacks were counted in the last census, with a population of more than 290,000 residents. Based on informal settlement growth rates registered between the 2001 and 2011 censuses, the following calculations were made:

- There are now about 140,000 urban shacks in Namibia, 10 times more than in 1991.
- The number of urban shacks will outnumber all rural houses by 2023, and all formal urban brick/block houses by 2025. The predominant type of housing in Namibia will then be urban shacks.
- Namibia will have over half a million urban shacks 13 years from now in which about 2 million people will live.
- The number of urban homes in 2030 will be about 3.5 times more than all the rural homes.

The growth of informal settlements is fuelled mainly by rural to urban in-migration and an estimated 12,000 new shacks are currently being erected each year.

### Characteristics of informal settlements

While considerable investments have been done to provide services to informal settlements, a growing percentage of the urban population is without access such services as toilet facilities and electricity. For example in 2011, more than 54,000 urban households relied on wood as the main cooking fuel and more than 57,000 households had no access to formal toilets.

The majority of informal settlement residents live in shacks made of corrugated iron, as the use of permanent building materials is prohibited in many informal settlements. Most informal settlements further have no planned structure or road network which makes the servicing of those settlements very difficult and often impossible. And as informal settlements are not legally proclaimed, residents cannot plan or build a secure future on their land.

The lack of planned physical structure and tenure are identified as two major causes that obstruct the socio-economic development of informal settlement residents:

No planned structure	<ol style="list-style-type: none"><li>1. Limited options to legalise settlement</li><li>2. No secure tenure</li><li>3. Limited provision of services and infrastructure</li><li>4. Limited overall development options for the settlement</li><li>5. Development is financially costly, requires the shifting of people and may incur considerable political costs.</li></ol>
No tenure	<ol style="list-style-type: none"><li>1. No investment or wealth generation options</li><li>2. Limited access to credit</li><li>3. Risks of eviction</li><li>4. Limited protection for the transfer of land rights</li></ol>

National housing programs have had little impact for stemming informal settlement growth over the last decades. The research concludes that this is mainly due to two reasons:

- National housing programs tend to focus on the provision of finished houses at prices that are unaffordable for most low income residents.
- The scale of the national housing programs have been insufficient to effectively address the demand for land and housing by low income in-migrants.

### Planning responses by local authorities

The research assessed informal settlement growth in five towns; Gobabis, Outapi, Oshakati, Windhoek and Otjiwarongo. Using high resolution satellite imagery, informal houses were mapped on an image of 2011 and again on an image of 2016. The comparison of the house counts of these two different years allowed provides an estimate of the number of informal houses built between 2011 and 2016. The results showed rapid informal settlement growth at the periphery of all 5 towns and the densification of existing informal settlements.

Assessing the urban planning responses of local authorities, the research identified many promising and encouraging initiatives that aim to effectively address informal settlement growth through the provision of low cost land. Towns such as Otjiwarongo, Outapi, Oshakati and Gobabis have, over the last years, planned and surveyed large numbers of erven that are then provided to low income earners. Services are often minimal to keep initial costs low, and the settlements often continue to have informal status as township proclamation has yet to happen.

However, by providing a planned structure to growing informal settlements, local authorities provide the basis for these settlements to be upgraded with services and to become formal settlements in the future. Disorderly growth into dense and disorganised informal settlements is thus avoided.

The research concluded that this approach should be supported and scaled up as an effective measure to allow towns to grow in an orderly fashion, and providing tenure security and development options to its low income residents.

This approach can further be implemented on a cost recovery basis, since low cost erven in properly planned and surveyed settlements and with minimal services can be provided at costs of approximately N\$10,000/erf. This is affordable for the great majority of informal settlement residents.

### **Conclusions and recommendations**

Rural to urban in-migration and associated urban growth is not a Namibian phenomenon, but a regional and international trend. The world is urbanizing fast and Namibia is no exception. People migrate from rural to urban areas in search of formal and informal employment, as well as improving their access to health and educational facilities. As towns are the motors of economic growth, this transformation from a rural to an urban society provides considerable social and economic opportunities for Namibia. If rural in-migrants can be integrated into the towns' economies, they can become productive members and contribute towards generating wealth and development. Access to a piece of land where in-migrants can establish their homes provides one of the very basic conditions for households to build secure investments, becoming an integral part of the formal town, and contribute to its economic base and public funds.

#### A general recommendation:

All possible proactive steps should be taken to avoid establishing settlements that are disorganized, unstructured and dense shanties of corrugated iron shacks. Conversely, steps taken towards creating ordered settlements where low income residents own their land, can build permanent homes and look forward to the incremental provision of services, should be encouraged. These steps require proactive planning of informal settlements *before* people settle there.

#### Recommendation 1: Focus on the provision of land, not housing

To address the housing crisis of Namibia's low income urban residents, the focus should shift from the provision of housing towards the provision of affordable land. The construction of houses should be left to the residents, allowing them to build at their own pace, with a minimum of obstacles and a maximum of encouragement. Government and local authorities should supply land with a minimum of cost and at maximum speed.

#### Recommendation 2: Gain control over informal settlement expansion

Gaining control over informal settlement growth should be a priority for any town in Namibia. This requires a supply of properly planned and affordable low cost land.

#### Recommendation 3: Support innovative, proactive and pragmatic approaches of local authorities

Local authorities are the key actors that manage urban development in their areas of jurisdiction. They normally identify local challenges long before anyone else, and they are often the first to produce innovative and pragmatic solutions. These local initiatives and answers should be supported by government, NGO's and the private sector. Specific support should also be provided to help local authorities:

- Manage the complex, and often lengthy township proclamation process;

- Manage projects to provide low cost land or upgrade existing informal settlements
- Promote aspects of social inclusion, economic efficiency and environmental sustainability.

#### Recommendation 4: Accelerate the provision of tenure in structured or upgraded informal settlements

Many informal settlements are ready to be proclaimed, having planned physical structures and demarcated erven, for instance. Without any additional funds the settlements could be proclaimed by removing administrative obstacles that stem from current policy. A national inventory of settlements that are ready for proclamation should be assembled, and their proclamation fast-tracked by MURD.

#### Recommendation 5: Attracting private sector investment

The provision of low cost urban land can be done on a cost recovery basis, therefore facilitating private sector involvement, while safeguarding real benefits for local authorities. Land can be supplied with minimal use of public funds by government, as is the case with the development of middle and upper income housing.

#### Recommendation 6: International donor funding and Corporate Sector Responsibility (CSR) support for upgrading projects

Many dense and unstructured informal settlements cannot be upgraded without significant resources. Scarce public funds should be assigned to such areas, and used to leverage additional funding from international donor organizations and CSR funds from the Namibian private sector.

#### Recommendation 7: Turning rapid urbanisation and the creation of new townships into an economic opportunity for Namibia

The development of Namibia's rapidly growing towns should be guided by principles of social inclusion, economic efficiency and environmental sustainability. Planning provides opportunities to create new townships that are conducive to the economic and social needs of its residents, and the town and the nation. Migrants from impoverished rural areas need homes that provide them with confidence, services, security and long-term outlooks to be economically productive. The integration of low income residents into the formal land market will also raise public funds from rates and taxes for the betterment of all.