

**The effects of rapid urbanization and rural to
urban migration on affordable housing and
homelessness in Ethiopia**

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Presentation Outline

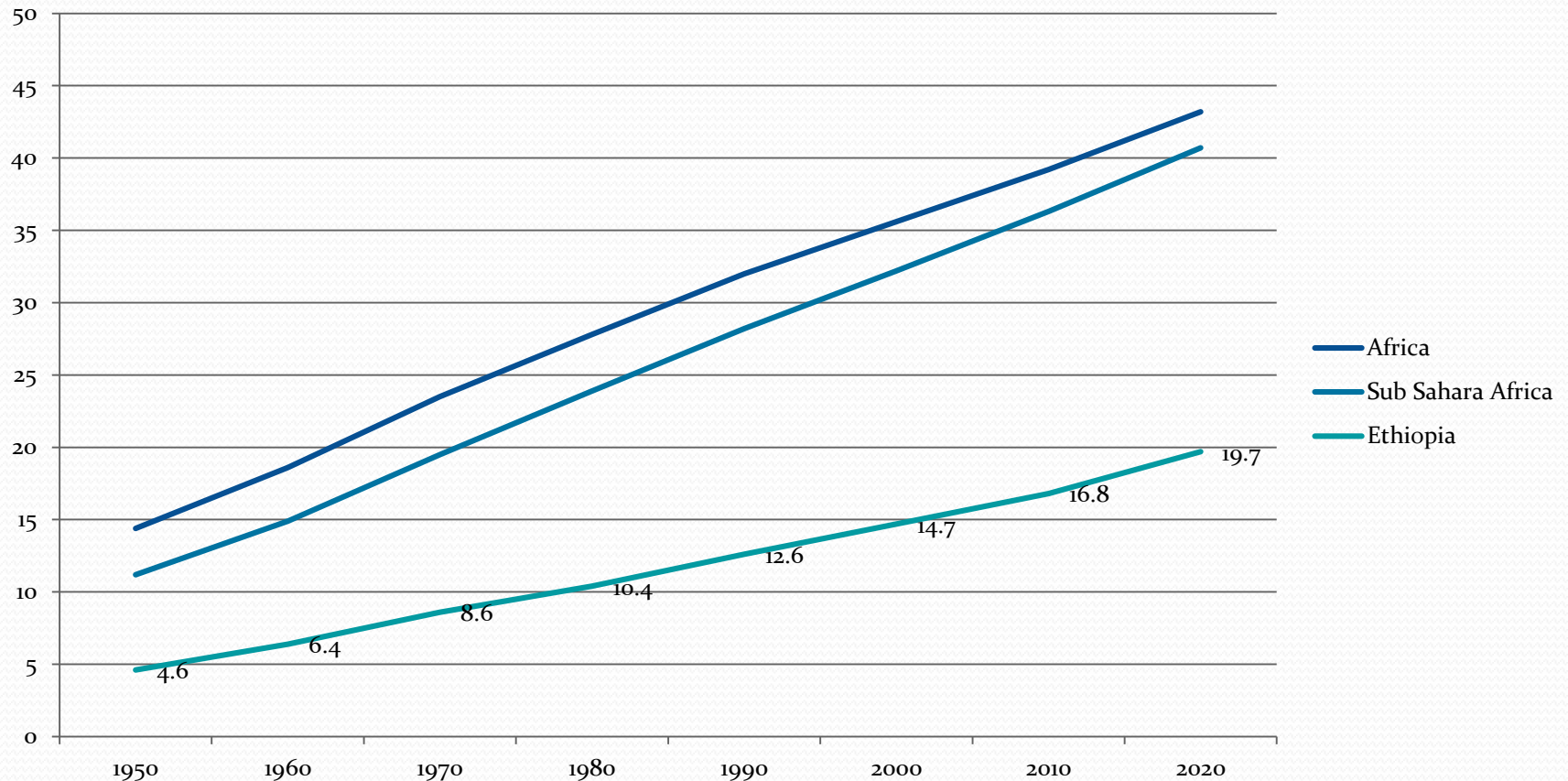
1. Introduction
2. Urbanization, Housing and Homelessness in Ethiopia:
An Overview
3. Effects of urbanization and migration on affordable
housing and homelessness
4. Policy response to tackle problems of affordable
housing and homelessness
5. Conclusion

1. Introduction

- Housing deprivation
 - Deprivation of the basic condition of well-beingness and productivity
 - The SDG call
 - Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- Housing problem is more pronounced in urban areas than in rural areas
- Urbanization can lead
 - to the proliferation of slums, informal settlements, inadequate housing and extreme poverty, homelessness, unemployment etc if managed poorly

Urbanization in Ethiopia

- Eth-An agrarian country but rapidly urbanizing



✓ Rates of Growth

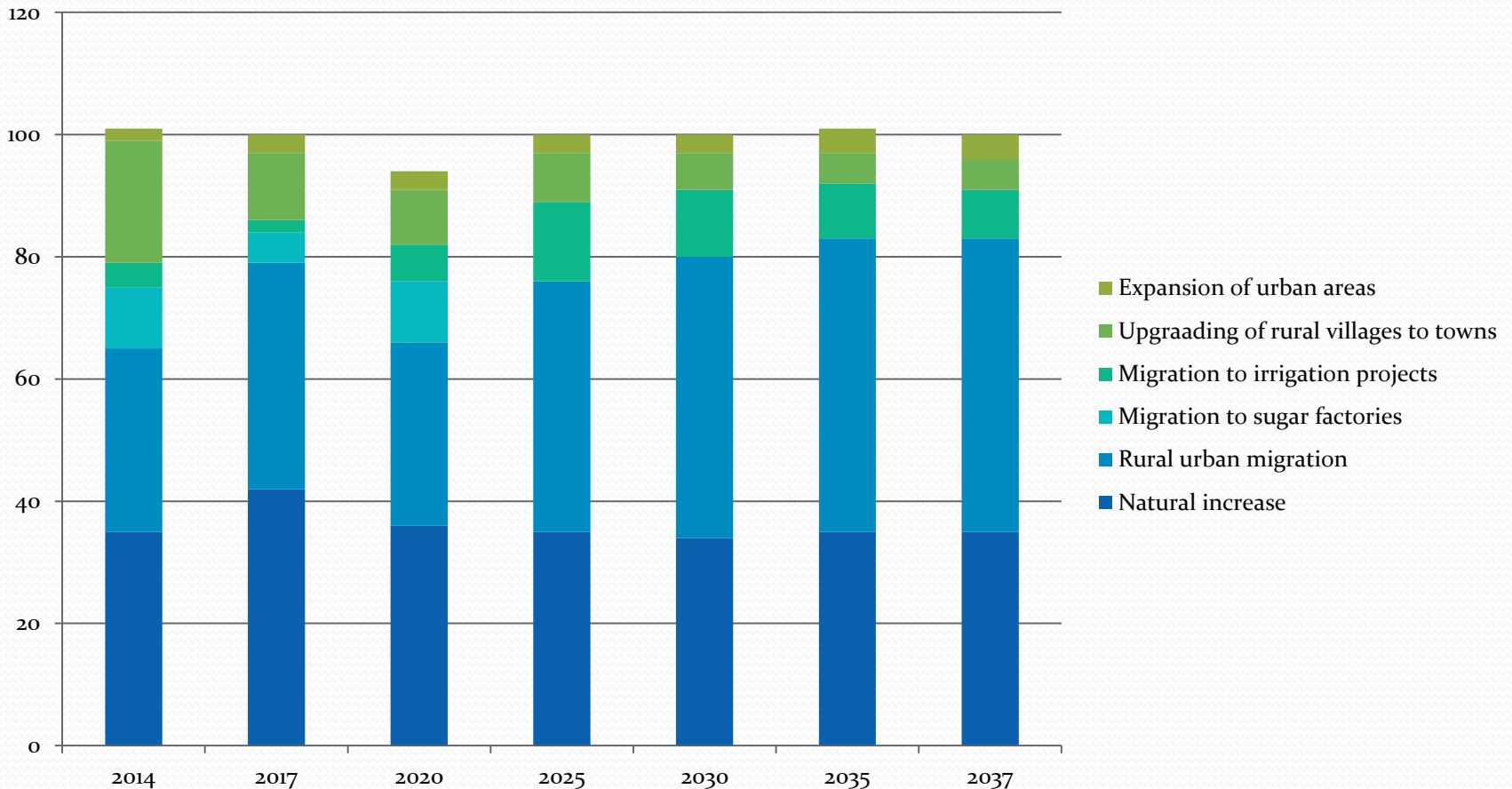
Growth rate is high

1994	7.3 Mill	13.7%	Addition
2007	11.8 Mill	16.1%	4.5 Mill
2017	19.1 Mill	20.4%	7.3 Mill
2037	42 Mill	31.1%	

Year	Urban	Rural	Difference
1984-1994	4.4%	2.2	2.2
1994-2007	3.8%	2.3	1.5

World bank	=5.0%-5.4%	World	2 %
2037	53.7Mill (39.3%)	Africa	3.4 %

Components of urban population Growth in Ethiopia (source WB)



- Proportion of migrants in urban areas is high (about 44.4 per cent)
- Higher in specific cities,
- Semera-Logia (71.6 per cent),
- Assosa (68.1 per cent),
- Adama (59.2 per cent),
- Gambella (58.8 per cent),
- Bahir Dar (55.6 per cent), and
- Addis Ababa (47.6 per cent)

Migrants mentioned that

- the presence of construction activities,
- demand for urban domestic workers,
- better pay for service work and
- the presence of social support

Were pulling them

Rural poverty manifested in

- rural vulnerabilities,
- diminished land sizes,
- lack of rain,
- recurrent drought,
- absence of effective extension system
- high population pressure,
- environmental degradation

Were pushing them

Housing supply characteristics and homelessness

- 1975 marked a change of housing situation in Ethiopia
- The government nationalized urban land and extra housing.
- The housing stock was converted into Government-owned rental units
 - Administered by the Agency for the Administration of Rental Houses, and
 - Kebele Housing managed by Kebele Administration units

- -Rents were significantly reduced
- -Leading to lack of funding to upgrade and construct houses
- Resulted in disincentive for individuals to construct houses
- Eg In AA, between 1975 and 1995, only one-tenth of the projected dwellings were built
- As a result the demand for house rose and could not be met

In 1991, the EPRDF government

- continued with the State ownership of land.
- Introduced a leasehold system of urban land which conditioned the availability of housing

At present the two common tenure are

Rent (11.2% to 60.9% of the housing units) and owner occupation

The rental stock are

Keble house (considered as slum housing due to lack of amenities and overcrowding ;24% in AA; primary option for poor hhs)

Private rental market (fetches higher rent)

Major housing shortfalls are:

- Poor Quality

- 71% of the housing units are wood plastered with mud;
- Almost all (93.5%) of the houses have corrugated iron sheet roofing; and
- over 57.7% of the existing housing units have earthen floors

Over-crowdedness

-44.9% of the housing units are single roomed,

-the average number of occupants 3.8 per housing unit

Over 44% of the housing units are occupied by more than three persons

Current housing provision dominated by

- The IHDP model
 - Cooperatives
 - Private formal
 - Private informal
 - Small real estate sector
-
- Private informal is appealing for the poor, peri urban areas
 - In DD city along 10,000 houses informally constructed (2014)

Homeless

- No precise data regarding the size and magnitude

Some figures given are

- 150,000 street children (MoLSA)
- 600,000 street children Of which 100,000 live in AA (Aid Agencies)
- Youth, adult and elderly homeless exist in significant number



Studies on homeless agree that

- Poverty is the root cause
- The majority have migrated
- Live in rental shacks, slums or roads

Mekelle (northern city)

Among the homeless
Children (<15 years of age) were 43.782%, adults (15-59 age) were 45% and the Old were 11.2%

72% are illiterate or barely educated
Most engaged in daily/casual labor (26%), Petty trade and animal herding (35%) and hotels and restaurants (18%)

Live in rented house, slum, and along roads.

The majority (57%) came from nearby hinterland while the rest travelled longer distance.

Poverty and unemployment in rural areas were the major push factors from rural areas.

Hawassa (Southern city)

Street Women

Majority came from outside a 20 km radius from Hawassa city.

Major reason for their homelessness and impoverishment: husband's disability or death (48 percent), abandonment by their husband/partner (32 percent), violence from their husband or partner, or a husband's alcoholism

Street Children

Most (63%) were born locally and others came from within 20kms.

Inadequate support at home was the main reason for street life and

the majority slept in the street shelter and shopkeepers awnings

3. Effects of urbanization and migration on affordable housing and homelessness

- Difficulty associated with land supply*
- Increasing housing needs and demand*
- Increasing urban poverty and urban destitute*

Land supply

Government supply land either thorough auction or allotment

Auction-Bidders are much higher than plots pushing bid price very high

(In Mekelle 52689 bid for 934 plots)

Allotment mostly given for government functions and cooperatives

- In both counts land demand could not be met and the poor is pushed out
- shortages are exacerbated by rapid urban growth.
- Housing becomes unaffordable when there is no enough land release or supply.
- Informal land supply (peri urban subdivision) develop and exacerbated by migration

Housing need and demand

Rapidly increasing

A) New HH formation

- Due to urban growth –HHs are tripling (3 million in 2007 and 9 million in 2028)
- 6 million houses or 290,000 houses per annum to keep up with the urban growth

B) Backlog- Difference between the # of housing unit and the # of the existing household

In 2007 : #HHs=3.03; Housing stock=2.9 with a backlog of 130 thousand

For the years 2007/8-2013/14 , 1,235,543 were registered for kebele house, condominium and plots

C)Upgrading of slums

70-80% slums: government 60% is slum

Houses need to be provided and repaired

GTP wants to construct 750 thousand new houses

- Housing affordability is constrained or Formal housing is not affordable
- Lack of housing finance and high housing standards.
- High interest rate, lack of collateral etc.
- Interest rate increased from 4.5 per cent for co-operatives and 7.5 per cent for individuals to 16 per cent for both, severely reducing the opportunity for the low-income households to secure a home loan

Standards

- Municipalities determine the FAR (floor area ratio), type of building materials etc
- Unaffordable for common people.
- In Arba Minch for example 45% of homeowners could not afford houses built to a minimum standard (World Bank, 2015).

Urban poverty and urban destitute

Rapid pace of urbanization mainly fueled by rural urban migration is transferring poverty from rural to urban areas

In AA poverty is Addis Ketema (25.1%), KolfeKeranyo (26.4%), and Lideta sub cities (30.7%)

High levels of Unemployment in urban areas (16.9%)

Urban poverty is reflected in the growing number of urban destituted (Beggars, Street children, Homeless)

Urban destitutes have

- special needs for finance, housing, health care, counseling and others and are considered as the most visible face of urban poverty (MoLSA, 2018).
- In 11 cities they number 85,468 or 1.6% of the total population of which 35,188 are homeless people (sleep on the streets, churches and mosques)
- majority (62.2%) are migrants from rural areas
- Migration is the first activity they are involved in their life journey

Categories of the Urban destitute	Life journey
<i>Street Children:</i>	Migration, searching for job, engaging in small business/ street vendor, working in loading and unloading, being involved in begging or illicit activities.
<i>Homeless Street dweller families</i>	Migration to the city, engaging small business/street vendor, engaging in loading and unloading activities, start begging.
<i>People living from begging:</i>	First left parents' home, migrated to the city, come to the street, engaged in small business, engaged in any kind of work, involved in physical labor, and start begging.
<i>People with disabilities especially mental illness:</i>	Initially migrated to the respective cities and stayed for long years receiving medical treatments, which led them to begging for survival.
<i>Destitute commercial sex Workers:</i>	Migrated to the city, searched for better jobs and worked as waitress in cafes or local bars/restaurants.

Policy response

-The Integrated housing development program (IHDP)

-Urban Safety net

1. The IHDP

-Launched in 2005

Purpose

- a) Increase housing supply for the low-income population;
- b) Mitigate the expansion of slums ;
- c) Increase job opportunities for MSEs and
- d) Improve wealth creation and wealth distribution for the nation

- The IHDP addresses the issue of affordable housing by subsidizing condominium units

Free land for the construction of buildings
Basic infrastructure (roads, water and electricity
Construction techniques are easily adoptable
and cheaper (reduced cost by 20-30%)

Housing typologies vary

10/90 (target the poor < 1200 birr (40USD) monthly income

20/80 (target lower middle to middle income)

40/60

- Construction cost provided by city/regional government
- Mortgage finance arranged with CBE
- Four features of the IHDP (UN-Habitat)
 1. Large scale approach that address
current housing deficit; the poor quality and the
future housing needs due to
continued urbanization

2. It is pro-poor as it allows low- and middle-income households access housing

3. Encourages access to private homeownership and slum prevention.

4.Emphasizes an integrated approach to housing and economic development

Performance

Huge impact on the country,

production of units at low cost that increased housing stock

In 2011, the IHDP

Generated dwellings at a rate of 2,850 per month,

created 176,000 new jobs, and

contributed to a GDP growth rate of 11.5%.

240,000 units have been completed in Addis Ababa under the first phase, and the second phase aims to build 50,000 apartments a year in the city over the next ten years.

- Despite this

- The Program is unaffordable to the low-income households and the poorest of the poor segments
- due to inability to afford the initial down-payment and monthly service payments.
- Those who took condominium end up renting them

The Urban Safety Net

The Urban Productive Safety net

-A 10 year project to support over 4.7 million urban poor living in 972 cities and towns.

The first phase targets 11 major cities and reach 604,000 beneficiaries

The Project has three main components:

Safety Net Support;

Livelihood Services; and

Institutional Strengthening and Project Management.

- The safety net support program has two components:
 - The conditional cash transfer based on on labor intensive public works (targets 84% of the beneficiaries)
 - The unconditional cash transfer targets persons who are unable to perform work
 - In addition they receive free health, education and housing
 - But the housing component is very undeveloped

Concluding remark

- Ethiopia is experiencing rapid urbanization, due to rural urban migration
- Both intensify housing demand, exacerbate land shortage, intensify informal land supply, increase urban and urban destitute
- The IHDP though it has positive performance, could not produce affordable housing to the poor
- The urban safty net program is the latest initiative to assist the poor and the destitute, but has less emphasis on delivering house.

- The government needs to revisit its IHDP program in order to make it more accessible for the poor segment of the society.
- This might imply
 - removing down payments in the program or
 - developing an alternative low cost, low income housing in which the private sector can participate to deliver such units.
 - The principles of the right to the city and rights to house necessitate that residents have equal opportunity in accessing urban resources.

Other issues to increase housing affordability may involve

- -Revisiting Housing standards
- -Improving housing finance for the poor
- -Providing land and infrastructure for low income housing
- -increasing security of use rights and in-situ infrastructure for informal settlements



- Thank You