

Contribution of Migrants from Agriculture Based Areas To Rental Housing Production in Dar es Salaam

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Abstract

Agriculture and rural-urban migration are interrelated phenomena that have an important discourse in the urban development of Tanzania. When the two combined, they influence in Dar es Salaam the production of low-income rental housing undertaken by in-migrants with their origin of agriculture predominately areas. The existence of housing in urban economy is associated with various dynamics which are essential to the process of urbanisation of the city. The article discusses such dynamics and is divided into three sections. It starts by dealing with the theoretical considerations of rental housing as an important aspect of urban development influenced by agriculture and rural-urban migration, in section one. Section two focuses on the empirical analysis of the production process of the housing undertaken by the in-migrants in Dar es Salaam, and the functioning of housing empirically in urban development of Dar es Salaam is dealt with in section three.

1.0 Theoretical considerations of rental housing

The theoretical considerations are presented by providing the definition of housing. Scholars of housing have defined the concept of housing differently. Mabogunje *et al.* (1978) see housing as the total environment within which human families have to live. They advance their argument that housing includes integration of dwelling units plus its environment especially the facilities and services provided on a community basis. The examples of services and facilities emphasised by Mabogunje and others include water, waste disposal, air purity, zoning control and recreational facilities. This definition does not describe in a broader sense what housing performs and the motivation for its existence; these two dynamics determine differently the two types of housing tenures namely the rented and owner-occupied housing. As the rented housing is in urban areas, which was the focus of the study, the theory of urban housing market is relevant for analysing the two dynamics in terms of the framework of supply and demand. The supply side of rented housing is influenced by a bundle of factors that include 'living' as the only potential role played by housing. Apart from offering a place where human beings live, all factors of production are involved directly and/or indirectly in the construction and maintenance of housing as well as in the provision of management, marketing, insurance and related services. The factors

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which determine demand include, among others, changes in family income, distribution of income and rate of household formation which in turn depend upon population growth and size of households, household priorities, nature of employment, age and occupation. The factors in the market operate in an interrelated way to influence the rented.

Viewing housing in terms of what it does for people, Bourne (1981) defines it in terms of a number of dimensions. In addition to providing shelter to its occupants, housing also demands the provision of physical services such as water and sewage as well as social services to households. As an economic good and commodity, housing is traded or exchanged in a market in the form of renting to households and acts as an investment good, which returns equity to its owner. It is a basic need, which means that it is provided to everyone just as education, food and in most cases health care. As a package or bundle of services, there is also a view which recognises that occupancy of housing involves also the consumption of neighbourhood services (parks, schools), location (accessibility to jobs and amenities) and the proximity of certain types of neighbours (a social environment). Lastly, as a sector of the economy, housing is a component of fixed capital stock, a means of producing wealth and a tool of governments in regulating economic growth.

Some scholars deny some of the functions performed by housing. They hold the position that housing is not productive but a consumptive capital only. This means that housing as one of the items of social overhead investments, does not generate benefits, which may not be regarded as either a necessary condition for economic growth or in a more positive way as an instrument contributing to economic growth through the generation of indirect benefits. As argued in Klaassen (1987), consumption means spending money now on goods and services that will not through further productive processes induce benefits in the future. Present welfare increases without consequences for the generation of future welfare. Investments on the other hand contribute to the capital stock and are made to increase production (by raising productivity) and therefore raise future welfare.

It is contended that by investing in housing, productivity is increased, hence future production and welfare. Apart from rents, only welfare increases directly, that is by "consuming" the services of their house, the occupants feel better. In this way, it is concluded that housing is a consumptive and not a productive capital. Criticising this view, Burns *et al.* (1970) maintain that housing is a necessary consumptive good with important aspects, which influence future welfare. They assert that the chain of economic impacts of housing does not end only with the direct consumption of the housing services. By living in better housing, the occupants will perform better in their work and consequently productivity will rise and so future output and income (Klaassen, 1987). The same notion was also expressed by Meyerson *et al.* (1962) who proclaimed that the importance of housing in the economy could be measured in terms of employment, production, investment or consumer expenditure. This indicates that housing yields social and economic benefits. In terms of economic benefits, housing provides opportunities for employment. In maintenance and repair, housing is part of a nation's capital formation.

2.0 Production of low-rented housing by in-migrants

2.1 Making decisions

Agriculture and rural-urban migration are interrelated phenomena that have an important discourse in the urban development of Tanzania. When the two are combined they influence, in Dar es Salaam, the production of low-income rental housing undertaken by in-migrants originated from predominantly agricultural areas. The in-migrants design strategies on how to get access to inputs before the process of housing construction starts. Turner quoted in Burgess (1982) argues that no house can be built without land, tools, materials, skilled labour, management and an exchange system. According to Turner, these inputs cannot act to realise housing creation unless they are being influenced by certain essential conditions. Thus, he proceeds with giving the conditions by arguing that an adequate housing solution for low-income groups can only come about by ordering these elements within an autonomous system; and access to them is a function of law and its administration, and these in turn are a function of central authority. The essential characteristic of autonomous systems is user-control and the role of central administration should be limited to ensuring local and personal access to the appropriate technologies, land and credit. In this, the "local forms of these elements are left to the people and the local entrepreneurs that serve them" (Turner quoted in Burgess, 1982:63).

The house owners therefore have to make a decision on how to get access to these components before engaging in the actual housing construction. However, these inputs as shown in housing literature differ in terms of the role they play in housing construction. There are those given highest priority in the process of housing construction because they act as a foundation to housing provision. In other words they are characterised as fundamentals and therefore bring about substantial impact on housing creation.

In the rapid growth of Third World cities including Dar es Salaam, studies have shown that access to land is the primary input and a strategic prerequisite for housing provision (UN-Habitat, 2006). Doebele (1987:110) stresses the role of land in conditioning housing in an urban context as follows:

Numerous studies have shown that access to land is a critical element in providing upward mobility. It is through the acquisition of a small parcel of land that people established themselves in an urban economy. It is on this parcel that they engage in "brick-by-brick" capitalisation, gradually accumulating the materials for a house, or, in later stages, the addition of a rental unit that not only brings them income, but adds to the housing stock of the city without the uses of public fund.

Indeed this is substantial impact on access to land on housing as indicated by numerous studies in Doebele's report. The role of access to land has also been mentioned by Bienefeld (1975:8) in his report on a study of urban Tanzania as follows:

Shop keeping and house rental on the other hand are activities whose start requires capital, time and experience and their entry is therefore not usually accomplished until people have struck substantial roots in the urban economy. For landlords, the question of access to land is of special importance; it is here that long-time residents probably have the cleverest and most important advantage.

For a long period, the various land and human settlements development policies have failed to enhance the formal land procedure capability to meet the urban demand for land. The situation has thus made the in-migrants rely on purchase of land from the informal settlements as the main way to access land for their housing construction. In addition to land acquisition, in-migrants make efforts towards obtaining finance. Next to land acquisition the availability of finance is argued to be important due to a number of reasons. First, it has been argued by Okpala (quoted in UN-Habitat 1996: 2027) that the extent to which housing finance is available, the terms under which it is available, and the proportion of the population that can obtain are major influences not only on housing but also on cities. The second reason why availability of finance is of importance in the housing sector is the fact that it determines the quality and structure of housing as well as influences the pace of completing housing construction. This argument has been supported by a number of researchers in Third World cities.

From a study of transformers in Bangladesh, Ghana and Zimbabwe, Tipple (2000) found that they were considerably delayed in extending their houses while gathering cash or informal loans. Tipple (2000) has pointed out the importance of housing finance as one lubricant which could substantially improve the efficiency and quality of the transformation activity. Finance influences the building process of housing. A study of low-income housing in Indonesian cities by Benjamin *et al.* (1985) found that most low-income housing was built gradually over months and gradually improved over years because of erratic availability of finance to low-income house owners. The third reason why financial availability is of importance is because it has enabled low-income households to buy building materials and land as well as to hire labour. These inputs together with other inputs such as organisation have been used to construct housing.

Though finance necessary for housing construction was mainly raised by the migrants through wages and salaries in the formal employment sector, substantial proportion of the migrants had a link with rural areas where they were practising small trade, selling agricultural products like rice, maize, cassava millet, fruits, bananas, vegetables and other food crops to raise housing finance. Some migrants were directly engaged in farm activities to raise housing finance (Kiduanga, 2004).

Housing available in Dar es Salaam is of three types, built with variation in concentration of both organic and inorganic forms of materials. The organic material is harvested from rural areas, which is an indication of another dimension of linkage between agriculture and urban housing in the city. The three types of housing obtained in Dar es Salaam with their concentration of the organic materials are detailed in the following sections.

2.1.1 Traditional housing

This is one of the three kinds of housing available in Dar es Salaam and other urban areas of Tanzania, built mainly using traditional materials such as bush poles, grass and mud. The main problem associated with this type is the need for regular

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maintenance. The mud walls are easily washed away by rainwater and the thatch leaks badly in heavy rains especially if the grass is rotten. The poles and grass thatch attract termites and other insects. The roof thatch has a durability of 2 to 7 years. The life of the poles may vary between 5 and 15 years depending on their quality and contact with soil (Kiduanga, 2004 quoted in Wells *et al.*, 1998).

As rural houses are integrated into urban areas following expansion of towns, the quality of the houses becomes poor because they do not conform to the standards set by the urban authorities.

2.1.2 Semi-modern housing

This is another kind of housing, which exists in Dar es Salaam and other urban areas of Tanzania. This type is an improvement over the traditional kind of houses. The mud/pole walls of this type of housing are plastered with sand, cement, mortar and the floor is covered with sand and cement. The roof is constructed with wooden planks covered with corrugated iron sheets. This kind of housing is characterised by two important features – both traditional and modern technologies are applied to construct the housing bringing the rural-urban interface; also it contains a mixture of manufactured and traditional materials.

2.1.3 Modern housing

The third kind of housing available in Dar es Salaam is modern housing. There are some changes in material usage when a modern kind of house is being built. The walls and floors are built using inorganic materials and roofs use mixed forms of materials. The materials used to erect the majority of the modern houses in Dar es Salaam and other urban areas are cement, corrugated iron sheets, timber, tiles, sand/cement blocks and burnt bricks. Another characteristic feature of modern housing is that it is more durable than the traditional and semi-modern kinds of housing. Thirkildsen and Moriatty (1973) reported that the life of the block walls is appreciably longer by 50% than that of the traditional housing walls.

Labour force of various kinds ranging from craftsmen to casual labourers is important in housing activity. Evidence shows there is a link between urban housing and agriculture in the form of labour force as migrant labour force from agricultural areas now predominate in housing construction in Dar es Salaam (Kiduanga, 2004). The participation of house owners in the construction is in the form of organisation, supervision, supply of building materials and negotiation of prices with various craftsmen who have skills in housing construction. The reason why the houses are not self-built is because the construction requires a high degree of expertise, which most house owners do not possess. Usually, the payment to craftsmen takes place after the house owners have been satisfied with the quality and quantity of work. The supervision and organisation undertaken by house owners when their houses are being constructed are essential since by doing so they save a lot of money and at the same time minimise the extent of cheating which is common among the majority of craftsmen building urban housing in Tanzania (Kiduanga, 2004).

3.0 Functions of housing

In terms of the uses of housing in as far as the urbanisation process is concerned, a number of forms of linkage existing between the sectors of agriculture and urban housing have been observed. Some of the functions performed by the finished housing to the urban setting are elaborated in the sections that follow.

3.1 Accommodation

The provision of accommodation is one of the main functions performed by urban housing owned by migrant households. In Dar es Salaam there is a large proportion of the population who are tenants, depending on housing for their accommodation needs (Kiduanga, 2004). The trend of tenants in the city relying on housing has been increasing. Data from Tripp (1997) indicate that in the mid- 1950s, about 81% of the 5,000 residents surveyed were tenants. In 1989 the proportion of residents who were renters according to a survey done by Kulaba (1989) in areas of low-income groups increased to 83%. The demand for rental accommodation provided by the migrant-households is high, making houses/rooms ever occupied. The increased demand for housing is associated with population growth. Dar es Salaam recorded an increase from 129,000 in 1957 to 4,000,000 people in 2009 with the large part contributed by agriculture-based rural migrants (Rwechungura, 2010). There are two groups of factors influencing renters' demand for housing. The first group of factors is associated with better households' needs. Rental accommodation is chosen by households for a number of reasons, some of which are:

- good location of the rented accommodation,
- temporary residence of the households in the town,
- low cost of renting relative to ownership,
- good security offered by renting, and
- preference of households to invest capital in other sectors and not in owner-occupied housing.

The second group of factors influencing households to demand rental accommodation is associated with constraints imposed upon land and housing markets as well as finance, which limit the households to get access to ownership.

3.2 Income generation

Income generating is another important function of housing. It is mobilised by the owners through the renting activity. The rental incomes being charged vary depending on location and quality of the house. The rental income is used to maintain the living standard of the house owners in the city and maintain ties with relatives in the agricultural areas. During periods of wage decline, landlords who are wage earners utilise income generated from renting as a means of coping with the situation of wage decline. Income from renting does not only benefit house owners who are wage earners, it also helps elderly owners who have retired from wage employment and are unable to do any informal economic activity due to their old age. A survey of national urban mobility, employment and income in Tanzania conducted by Bienefeld and Sabot (1972) found that in Dar es Salaam house ownership seems to be strongly related to age (Table 1).

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Table 1: Household heads/house ownership in Dar es Salaam by age

| Age in Years | % | Number Stated |
|--------------|------|---------------|
| 14-19 | 1.1 | 186 |
| 20-24 | 1.8 | 598 |
| 25-29 | 6.3 | 523 |
| 30-34 | 16.3 | 349 |
| 35-39 | 21.7 | 309 |
| 40-44 | 28.2 | 234 |
| 45-49 | 39.1 | 169 |
| 50-59 | 42.0 | 200 |
| 60 and over | 55.8 | 147 |

Source: Bienefeld and Sabot (1972:135).

Table 1 shows that from the age of 30 years, house ownership increases rapidly and this steady increase continues right up to the age of over 60 years. As elderly house owners are not able to get engaged in many economic activities due to old age, it is obvious that the elderly practice more renting in order to get income for survival than just owning a home. The income is used to buy food, medicine in times of sickness and also meet other expenses such as paying for transport. Although the elderly are engaged in the activity of renting to get income for their survival, the activity becomes a taxing exercise as it involves a lot of chores, which may be too much for the elderly. For instance, tenants have to be constantly followed up, repairs have to be carried out, payment for utilities like water and electricity has to be made.

The income from renting is also used as a means of protecting various small trades against the risk of collapsing. This was found by van Donge (1992) in a research on social and economic changes, done in Mgeta division of Morogoro region. Van Donge found a teenage landlord from Mgeta having a rented house in Dar es Salaam. He often used income from his house to protect his tomato trade against the risk of collapsing. Many landladies who engage in food business often rely on income accrued from their rented houses to revive their business in periods of collapse.

3.3 Renting

Upon meeting a customer who needs a vacant room to rent, the customer has to be assured of the suitability of the house – whether or not it has electricity and water. Secondly, the landlord/lady gives the customer conditions for tenancy. Modality and punctuality of rent payment are the main conditions of tenancy. Other conditions that tenants might be required to observe include the following:

- One should not frequently entertain many visitors who might need to use the toilet; hence consume a lot of water (which is most of the time scarce).
- Music should not be turned up too loud to disturb the landlord/lady and other tenants.
- Consumption of alcohol in the house is prohibited; this might cause unnecessary noise, quarrels and sometimes fights.
- Bills have to be paid in time, and in full.
- Cleanliness is also of paramount importance.

These conditions are set by the landlord and most of the time without prior consultation with tenants. Failure of tenants to implement these conditions might sour relationship with the owner and might result into evacuation.

There is variation in monthly rent charged per room by landlords in the city; this is mainly dictated by location and quality of housing. Rent in the city has been increasing due to the increase in cost of living, quality and demand for rented houses. The charging of key money (*kilemba*) before renting out a house/room is common practice in the city. Modes of rent payment as shown in the literature of housing are several, and they include the following:

- i) Yearly rent payment in lump sum from the time renting starts; thereafter renters have to pay rent on a monthly basis.
- ii) Six months rent payment in lump sum from the time renting starts; thereafter renters have to pay rent on a monthly basis.
- iii) Monthly rent payment either in advance or after housing services have been consumed by tenants.
- iv) The landlord/lady enters into an agreement with a prospective tenant who finishes the house at his/her own expenses, and then the amount is recovered as subsequent rent.

Each of the four modes of rent payment has got advantages and disadvantages to the landlord and tenant. Advantages of the yearly, six months modes of rent payment, and the mode of rent payment in which the tenant provides advance rent payment for speeding up house construction/improvement are three.

- i) Landlords/ladies would be able to accumulate enough financial capital for maintenance or improvement/expansion of their property;
- ii) Tenants will be able to occupy good quality houses after they have been improved; and
- iii) There is reduction in the cost of chasing after rent by landlords/ladies.

The modes of payment listed above have also some disadvantages, e.g. the landlord/lady can go broke after misusing the collected rent; this way she/he might start harassing tenants. Secondly, the landlord/lady might lack control of his/her property.

The advantages of monthly rent payment are mainly two. First, regular income is guaranteed to the landlord/lady, at short monthly intervals; and secondly, the landlord/lady commands more power over his/her property. The disadvantages of monthly rent payment are three. First, the landlord/lady may be unable to collect enough financial capital for maintenance or improvement/expansion of property; secondly, the landlord/lady might be tempted to raise rent at short notice; and thirdly, security of tenure is not guaranteed to tenant.

From the point of view of demanding the accumulation of enough financial capital for maintenance or improvement/expansion of landlords/ladies' property as well as assurance of security of tenure to tenant, it is argued that these could be realised if the

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landlord/ladies use the yearly or six months mode of rent payment or the mode of rent payment in which the tenant provides advance rent payment for speeding up house construction/ improvement.

Despite such several modes of rent payment with their advantages and disadvantages as shown in the literature, in Dar es Salaam renting market, the modality of rent payment which is common is the 12-month payment in advance which is however contrary to the Rent Restriction Act. The tenants occupying the houses are migrants originating from the rural areas who move to the city as a coping strategy following the collapse of rural economy contributed by a number of factors. These include, according to O'Connor (1988), villagisation and ecological problems. Another researcher, Campbell (quoted by Potts, 1988) has cited World Bank policies as a factor contributing to the fall of Tanzanian rural economy. The collapse of the rural economy has contributed to two things simultaneously in the rural areas: the depletion of rural employment and worsening of life of the majority of rural people. Following these two conditions, some rural people the majority of whom are young, have no alternative except to escape from this misery by moving to Dar es Salaam to look for employment in order to survive.

Due to high demand for rented housing, landlords/ladies do not need to go around seeking tenants. Good behaviour is the main criterion for winning tenancy, and this is interpreted as the ability of renter households to pay rent in time, and comply with regulations or rules of tenancy. Also, the smaller the size of the family, the greater the chances of getting a house/room. The rationale for giving preference to small size renter households is to avoid unnecessary expenses, e.g. toilet expenses, as already mentioned.

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