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## Small and medium-size towns and the millennium development goals

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At the UN-organised September 2000 Millennium Summit, world leaders agreed on eight specific and measurable goals to achieve by the year 2015. Two of these goals – eradication of extreme poverty and creation of a sustainable environment, including access to water and health – can be considered to specifically address the urban sector. The *UN Habitat's State of the World's Cities Report 2006/7* shows that in 2007, for the first time in history, the world's urban population will exceed the rural population. Most of the world's urban growth—95 per cent—in the next two decades will be absorbed by cities of the developing world, which are least equipped to deal with rapid urbanization. The majority of migrants will be moving to small and medium-size towns of less than one million inhabitants. Already, more than half of the world's urban population lives in cities of fewer than 500,000 inhabitants.

This report shows remarkable similarities between slums and rural areas in health, education, employment and mortality. It points out how in many sub-Saharan African cities, children living in slums are more likely to die from water-borne and respiratory illnesses than rural children; how in Kenya, Tanzania and Zambia HIV prevalence among urban populations is almost twice that of rural populations and how in all countries, women and slum dwellers are disproportionately affected, reflecting a general trend in the region.

In Kenya, about a third of an estimated total population of 33 million lived in towns and cities in 2005 (see Appendix). If the current trend continues, the country

will in 2015 have a population of between 37 and 44 million people, half of whom will be urban dwellers. It should be noted, however, that in Kenya there are close links dating back to the colonial era between the rural areas and urban centres; and between the peasant community and the unemployed sector or informal sector in small and medium-size towns. Some of these links involve complex temporary migrations between rural areas and towns. Today a number of “municipalities” combine both urban and rural settings. This characteristic poses a problem when addressing Millenium Development Goals (MDGs) in urban and rural areas.

The report on poverty distribution in Kenya released in November 2005 shows huge disparities—also confirmed by the last issue of the *Economic Survey 2006*—between the country’s districts, especially in areas with high population densities. Western Kenya is the poorest while Central Province is the richest. Following recession in the last decade, Kenya’s economic growth seems to be back on track (over 5.8 per cent between 2005 and 2006) but the redistribution of this relative prosperity remains one of the most unequal ever, with the population of the poor rising from 52.3 per cent in 1997 to 57 per cent in 2005. This general situation directly influences the way political leaders and administrative officials in small and medium-size towns and cities can take ownership of MDGs.

It is known that MDGs are first and foremost a statement of intentions and are far from being in tune with reality. There is every indication that poverty is worsening despite improved economic growth. As *Daily Nation* commentator Peter Kimani wrote on 12 June 2006, it might help to understand why poverty is the future, rather than history. Whereas critics in the 1970s and 1980s managed to show that over half a century of the history of modern development had served to particularly accentuate inequalities thereby leaving more people poor, the much generalized attention given to the poor through the MDGs serves first and foremost to revitalize debate on development. The complexity of social, economic and historical roots of poverty leaves a big shadow of doubt on the effectiveness of such grand statements. In a more pragmatic way, this chapter pays attention to sectors in small and medium-size towns considered to be factors or indicators of poverty and in which public authorities can intervene on sector basis.

## **Eradicating extreme poverty: an urban ambiguity**

Urban poverty is a multi-dimensional phenomenon. According to the World Bank, it is characterized by a combination of several elements: limited access to employment and income, inadequate and precarious housing, limited access to services, a violent and polluted environment with little or no mechanism for social protection, and limited access to education and adequate healthcare.

Kenya's Poverty Reduction Strategy identifies several determinants of poverty: economic crisis, corruption, bad governance, geographical inequalities in wealth distribution, insecurity, HIV/AIDS, etc. Social and political exclusion is one of the distinctive characteristics of urban poverty. Poor communities are often isolated and cut off from the world of work and from access to basic services. The consequence of insufficient information channels that open up employment opportunities and create awareness of one's rights is that this category of the population cannot exercise its rights or carry out its responsibilities as citizens. In this sense, poverty eradication cuts across most of the other millennium goals, including access to water, health and housing, which are discussed in subsequent sections.

The income of urban dwellers or families is the most frequently used index in measuring poverty. This often appears artificial when family savings are entirely in monetary terms, especially in rural areas where self-sufficiency in food should be taken into account. In towns, however, this index is in more concrete terms because existence is more directly linked to monetary income, even though urban agriculture exists and serves as a stop-gap measure when this income is no longer there or is reduced (Owuor, 2006).

Urban poverty in Kenya: is it an income issue?

The 2001–2004 *Poverty Reduction Strategy Paper*, in reference to a 1997 survey, quantitatively draws the poverty line at Kshs 1,239 and 2,648 (an equivalent of about US\$ 17 and 36) per month per adult in rural areas and urban centres respectively. The difference between the poverty lines in towns and the rural areas is an indication of disparities in the cost of living<sup>1</sup>. The report gives examples of

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relative perceptions of this state of poverty by various categories of people. This gives a wide range of concerns first expressed in terms of shortage. Although lack of income or employment appears to be a decisive factor, other factors are not directly related to the state of extreme poverty but rather to difficulties to access services or resources like water, land or even self-image like the impossibility to understand the future or fertility.

In 2005, the report on the *Geographical Dimension of Wealth in Kenya* showed that 14.4 million Kenyans were officially known to live under the poverty line and there were large disparities between the districts. Considering that for many years poverty in Kenya remained largely a rural phenomenon, the disparities have become blurred with the ratio of poor people in towns increasing (Odhiambo & Manda, 2003). While comparing levels of poverty in two districts—Nyeri (Central Province) and Kuria (Western Kenya)—*Daily Nation* (12 June, 2006) reported that the percentage of poor people in towns (51 per cent and 86 per cent respectively) is higher than in the rural areas (30 per cent and 79 per cent).

In Kenya, like the rest of Africa, urban areas were hit by economic decline, particularly in the 1990s, due to the effects of the structural adjustment programmes, whose cost was supported by the poorest of the poor. Life became more expensive while less employment opportunities in the public service (whose capacity was reduced 30,000 people in Kenya between 1993 and 1998) reduced access to regular salaries and widened the inequality gap. Coupled with the rising unemployment in the 1990s, lower rates of female activity and slower able-bodied male migration resulted in higher dependency rates and double absolute poverty not only in Nairobi, but also in other urban centres.

The 2005 UNDP Kenya report, *Linking Industrialization and Human Development* stresses that the reduction of poverty levels is related to the level of industrialization. The Kenyan government, in its last development plan (1997–2001), also prioritized the development of the industrial sector in order to enjoy stable and sustainable economic growth in the 21<sup>st</sup> century. However, despite economic growth getting back on track in 2005–2006 due to among other things, good performance in the manufacturing, construction and mining sectors as well as a boom in the tourism

and transport sectors, and despite the fact that, as stated by W. Akumu in the 30 May 2006 issue of the *Daily Nation*, there are pockets of satisfaction in the country, “*the overall outlook is that the majority languish in penury*”. It also appears that out of the 450,000 jobs created during the year, 9 out of 10 is made up of unskilled informal sector jobs, which have no immediate and apparent impact on improving the standards of living.

The authors of a study carried out by KIPPRA acknowledge, however that although poverty prevalence is insensitive to employment in the agricultural and informal sectors, employment in these sectors reduces the depth and severity of poverty (Oiro, Mwabu & Manda, 2004). They also note that despite a number of studies on poverty measures in Kenya, little is known about the relationship between poverty and employment. According to them, previous studies have shown that most unemployed persons were not members of poor households, and most poor households had no unemployed workers. However, they also found a compelling link between low-income self-employment and poverty. Even then, Odhiambo & Manda (2003) think on the contrary that there is a strong link between poverty and competition in the job market.

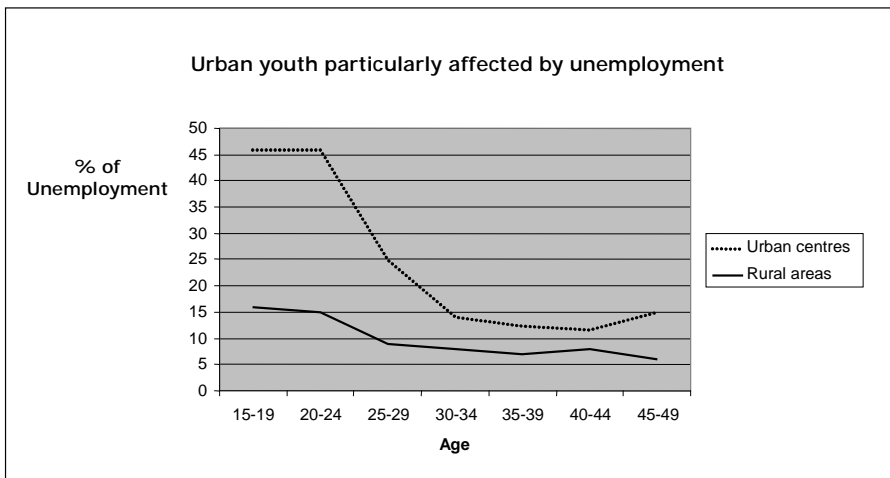
An over-statistical approach to poverty assessment finds itself impeded by the great complexity of the phenomenon and only serves to meet the needs of development technocrats. Development does not always lead, as it is often thought, to the progressive elimination of poverty. Poorly distributed progress and wealth can lead to the erosion of traditional solidarity, especially in towns, further marginalizing the poor. Penouil (1989) noted that with development, countries’ poverty problems and individual poverty are ill-timed and presented in different terms without facilitating their resolution. This calls for more interest in the dynamics that give rise to social problems than in formal vision of poverty.

Municipalities faced with job market uncertainties

Kenya’s active population is estimated to be 11 million people, representing about 37 per cent of the country’s total population (Odhiambo & Manda, 2003). Figure 1 shows that urban dwellers are more affected by unemployment than people in

the rural areas. However, the extent of unemployment in the rural areas is difficult to assess given the seasonal and heterogeneous nature of the economic activities. In this respect, there is also considerable interaction between towns and rural areas. Since migration to urban centres is often linked to job-seeking, even in temporary opportunities, unemployment is much more sensitive and presents a direct problem to public authorities and affects the youth more specifically.

*Figure 1: Urban youth affected by unemployment*



*Source:* SID (2004).

Unemployment, in the western sense of the word, is however rare in Africa, where everyone practices a small craft or urban survival of some sort. Calculation of the rate of unemployment is also very random: the underestimation of official statistics is generally the norm. It is difficult to draw the borderline between the low-end of the informal, urban unemployment and rural under-employment (Penouil, 1989). Towns nevertheless remain the game of typical contradictions which call for solutions that are difficult to negotiate.

Despite the controversies on the relationship between employment and poverty, local and national authorities are willing to work on the job market. At the national level, specific promises were made in 2003 by the new (NARC) government (to create 500,000 jobs per year) but the room for manoeuvre remains almost non-existent given the unique problem of infrastructure. Since there is lack of employment in the urban formal sector, many residents are turning to the informal sector so that they can exercise an activity and to generate income. The share of jobs in Kenya's informal sector is estimated to be 75 per cent while the number of urban dwellers living under poverty and involved in informal sector activities has been estimated at over 68 per cent (Odhiambo & Manda, 2003).

At the local level, municipalities are not able to create new jobs. They can all the same create an enabling job-creation environment by providing sites for putting up markets or spaces for bus parks or by not imposing any taxes before allowing residents to carry out any activity. This raises the issue of sometimes conflicting relationship between the municipalities, well-established traders and the so-called informal sector actors. The municipalities, looking for their own resources as well, can find themselves in a contradictory situation: how can this sector, which is heterogeneous, be encouraged without creating unfair competition against traders who pay taxes? Sometimes they find themselves up against more vested interests or a powerful organisation as was the case in the dispute between the Municipal Council of Kisumu and *boda boda* (bicycle taxis) operators.

As already been mentioned, the informal sector includes a large part of urban activities and the actors often have nothing to lose. As per the Kenya government's wish, the gradual integration of this sector into national or local accounts is a major stake. The objective of such integration is not new but the experience in developing countries over several decades show that it is often incompatible with the very nature of the sector.

In Kenya's small and medium-size towns, many municipalities think that prohibiting this kind of activities is not a solution considering that a number of urban dwellers are affected by unemployment. In Nyeri for example, members of the municipal council have lobbied for the regulation of the sector. The municipality

has allocated the informal sector artisans sites that they can use to carry out their activities and offers them advice (technical and in business management). In addition, they are required to pay minimal fees in order to set up their businesses. In Machakos, where 56 per cent of the population is considered to be living below the poverty line (Kenya, 2005), the municipality facilitates the creation of jobs and the development of income generating activities through various channels:

- By waiving or reducing permit fees for disadvantaged people.
- By encouraging youths to form groups through which they can engage in different activities (sports, income generating activities).
- By encouraging women to engage in planting tree nurseries and providing them with operating licences and technical support.
- By improving existing infrastructure and acquiring land with a view to attracting investors and industries to the municipality.

In Naivasha, the municipal council provides stalls for some artisans in the sector, while most of the actors operate in open spaces, although this is not encouraged, especially during the day.

This implies that it is still difficult to present the informal sector in its entirety as a poverty zone. At its highest fringe, it can be lucrative and offer salaries close to the minimum salary in the formal sector, to which it is often tagged.<sup>2</sup> Associating the informal sector with poverty is taking interest in its lowest fringe at the borderline of survival. Some activities only generate a small income for a majority of workers. Others invest without recouping their beginning capital, run into debts and thus embark on an impoverishment process. It is clear that the municipalities have very little means to “eradicate” the phenomenon. They can however, create an environment which, on the one hand, helps the very poor with some of their most basic social expenses. On the other hand, the situation does not hamper them from their quest for an income. This quest, be it barely legal or outrightly illegal, the support given to the poorest groups displays a degree of ambiguity.

## **Many urban dwellers deprived of access to quality water and a proper sanitation system**

Millennium Development Goal number 7, target 10, aims to halve by 2015 the percentage of people with no sustainable access to supply of potable water and a proper sanitation system. Kenya is classified in the category of countries which have to deal with chronic water shortage with natural fresh water supply of only 647m<sup>3</sup> per person expected to fall to 245m<sup>3</sup> in 2025. In the 1990s, investment in the management of water resources diminished significantly, thus reducing the capacity to increase the number of people with access to potable water. Nevertheless, studies carried out in the same period, and which came up with the definition of the Poverty Reduction Strategy, constantly showed that access to water was one of the priorities.<sup>3</sup>

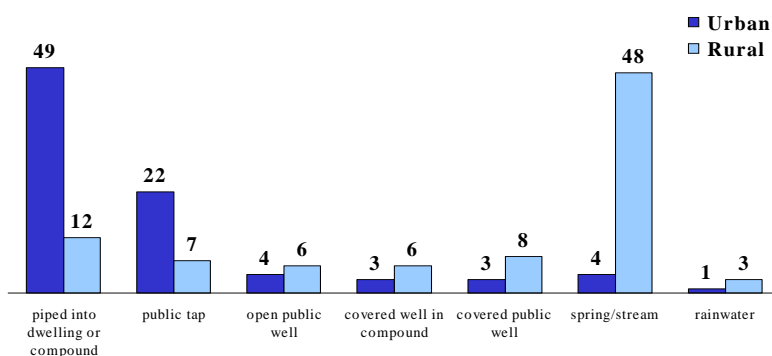
Immediately after independence, the Kenyan government committed itself to improving access to potable water (Water for all by 2000). This goal was not achieved. The Water Act, which came into force in October 2002, changed the role of the state in the water sector. Between privatization and commercialization, the government encourages the second option through the establishment of departments or autonomous and competent companies over which the local authorities retain a certain degree of control. The implementation of this new arrangement is going on gradually and heterogeneously in various urban centres. Experiences in Nyeri, Eldoret and Kisumu<sup>4</sup> are often cited as examples (Wambua, 2004). In small and medium-size towns, access to quality water and a proper sanitation system still remains insufficient. Residents of some urban centres, especially in slum areas, and suburbs are often left out of these services. In order to facilitate water supply in sufficient quality and quantities covering a reasonable expanse of inhabited areas, a national water policy was put in place by the government. The Kenya government indeed thinks that 80 per cent of water and sanitation infrastructure needs to be rehabilitated. The government estimated that such rehabilitation programme would cost 3 billion dollars (or 210 billion Kenya shillings) over the period 2005–2015.

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Current situation in Kenyan urban centres

Urban centres in Kenya have a wide variety of means of water supply—rivers, wells, boreholes or harvested rain water—as there are means of storage and distribution – collective and private<sup>5</sup> reservoirs, tanks, fountains or pipe networks. Most residents have access to at least one of these sources of water (see Figure 2).

Figure 2: Proportion of population with access to various sources of water



This water is, however, of mediocre quality. Therefore, to serve as reference statistics, it is more significant to take into account the part of the population that has access to good quality water and not the part of the population that simply has access to some water. Table 1 shows the proportion of population in Kenya with sustainable access to an improved water source.

Table 1: Proportion of the population with sustainable access to an improved water source (%)

DATA SOURCE	Total	1990		2001–2002		
		Urban	Rural	Total	Urban	Rural
United Nations	45	91	30	62	89	46
Ministry of Water/ UNDP					67	49

Despite the fact that the proportion of the population with sustainable access to an improved water source is high in urban Kenya, there are large disparities between different residential areas of the towns as far as water supply is concerned. Local authorities lack human resources and financial means to respond to the needs of the whole urban population. Consequently, the town centres, commercial areas as well as some residential areas are most of the time connected to municipal pipe networks. People living in slum areas, on the other hand, have very limited access to water or even none at all to potable water. In Kenya, it is estimated that more than 25 per cent of slum dwellers have no access to safe and clean water. In addition, the water sources are located far from the residences. Slum dwellers have to find alternative sources to buy the water they need daily. They therefore buy water from vendors at higher prices than those charged by the municipality.

Poor urban dwellers often pay private vendors a price ten times higher than that paid to the municipality by people living in residential areas for home tap water. In some municipalities like in the case of Thika, the municipal council supplies water to slum dwellers in form of water kiosks, while in Homa Bay, 65 per cent of residents in the town centre have access to water but the municipality is not able to provide water to the slum dwellers.

Generally, most small and medium-size towns in Kenya face the same kind of water distribution problems:

- Existing old water networks (pipes and pipelines) most of which were laid in the beginning of the 1970s, and for some towns, like Karatina, in the 1950s pose a capacity, pressure and maintenance problem, all at the same time. There are frequent cases of pipe or pipeline bursts, broken down pumps and silting reservoirs.
- Insufficient treatment capacity.
- Illegal connections to the municipal network and vandalism.

Access to a proper sanitation system is also as important as access to quality potable water. Yet urban dwellers do not always see access to a sanitation system as a priority. They are thus less inclined to pay in order to get access to this service

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(while people are always ready to pay a levy in order to get access to potable water). It is therefore important to increase the demand for this service among the people by involving residents in efforts to improve the existing and build new sanitary infrastructure.

*Table 2: Proportion of the population with access to improved sanitation (%)*

DATA SOURCE	Total	1990		Total	2001-2002	
		Urban	Rural		Urban	Rural
United Nations	42	49	40	48	56	43
Ministry of Water / UNDP					69	81

As already indicated for the levels of poverty, the apparent paradox in better access to sanitation in the rural areas as well as in towns (see Table 2) can be explained by the fact that minimal sanitation standards in towns are more binding than those observed in the rural areas owing to the constraints brought about by population density. The data provided by the United Nations on urban centres seems overestimated.

Sewerage drainage and solid waste management is certainly one of the main challenges facing small and medium-size towns. Whenever they exist, solutions are often individual (pit latrines, septic tanks) or are disproportionate to the problem. Many urban centres, especially in western parts of the country, have neither a sewer network nor refuse-collection arrangements, which is also the case in the slums and suburbs.

Investments required to provide water and sanitation to residents

In order to choose the most appropriate technology for provision of water along with a proper sanitation system to urban dwellers, several elements should be taken into account. These include:

- population's current needs
- constraints (site, infrastructure)

- local financial resources
- cost of infrastructure and
- needs of the future generations.

The cost per person in dollars needed for building various sanitary and water supply infrastructure in Kenya has been indicated in Table 3 below:

*Table 3: Estimated cost for building water supply and sanitation infrastructure*

<b>Water supply</b>	<b>Cost USD</b>	<b>Sanitation</b>	<b>Cost USD</b>
Piped systems with house connections	–	Sewerage with house connections	250
Public standposts	30	Small bore sewers	–
Boreholes with hand pumps	39	Septic tank	97
Protected dug wells	24	Wet latrines	50
Rainwater collection	41	Ventilated Pit Latrines (VIP)	40
		Simple pit latrines	25

*Source:* WHO, Africa 2000 Initiative for water supply and sanitation

According to the World Health Organization, the most widely used and safest sanitary technology in rural areas seems to be the ‘Ventilated Pit Latrine.’ In urban centres, the most adaptable form of sanitary system is the ‘waterborne sewerage’ which would help to cover the whole population, thanks to connections to sewers. It is thus possible to calculate the amount of investment needed to put in place a sanitation system taking into account population growth and the section of the population already connected to a sanitation system.

During the period between 2005 and 2015, total investment in urban centres will attain 4 billion dollars in total (an equivalent of 284 billion Kenya shillings). In rural areas, the amount will reach 480 million dollars (or 3.4 billion Kenya shillings) during the same period.

Consequently, total investment needed to put in place a proper sanitation system is as much as 4.480 billion dollars (or 287 billion Kenya shillings), 90 per cent of which should be spent on towns.

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Considering the cost per resident, the amount is relatively high: sanitation equipment alone will cost 122 dollars per resident within the same period, while in 2004 government total expenditure per resident was 150 dollars, an equivalent of 10,700 Kenya shillings. Similarly, total foreign aid to Kenya from various donors in 2005 was only 13 dollars per person, which is equal to 1,000 shillings per resident.

For its part, the United Nations Development Programme (UNDP) report on the *Expected Millenium Development Goals Costs in the Provision of Water and Sanitation* indicates that about 600 million dollars (more than 40 billion Kenya shillings) is needed to achieve this goal by 2015.

#### **Calculation of investment needed to put in place a proper sanitation system in urban and rural areas**

##### *In urban areas*

The establishment of a sewerage system, to which families can be connected, implies an investment of 250 dollars per person. In 2005, 56 per cent of the population, representing about 8 million urban dwellers, was connected to a proper sanitation system. In 2015, 23 million Kenyans will be living towns. Therefore, the establishment of a sanitation system within the period between 2005 and 2015 should cover 15 million urban dwellers. Total investment thus hits the 3,750 million dollar mark.

##### *In rural areas*

The most appropriate technology, Ventilated Pit Latrine, requires per capita investment of 40 dollars. In 2005, 43 per cent of the population, representing about 9 million people living in rural areas, was connected to a proper sanitation system. In 2015, 21 million Kenyans will be living in rural areas. Therefore, the establishment of a sanitation system within the period between 2005 and 2015 should cover 12 million people living in rural areas. Total investment thus hits the 480 million dollars mark.

The total cost: 4,230 million dollars within a period of 15 years, which is equivalent to 282 million US dollars per year.

Table 4: Annual expenditure and expected cost in the provision of water and sanitation (2005–2015)

<b>Water and sanitation</b>	<b>Annual expenditure USD million</b>	<b>2005–2015 USD million</b>
Provision of urban water	34.3	377
Provision of urban sanitation	17.2	189.6
Total	41.5	566.6

Source: UNDP/GOK (2005).

On the other hand, financing of services in Kenya by the Water Engineering Development Centre showed that investment of between 3 and 7 million dollars (200 to 500 million Kenya shillings) was needed to develop a system of sanitation and water provision in a small and medium-size town (WEDC, 1995). Given that the study considered towns with a population size of between 20,000 and 50,000 residents, the current investment per resident may be several times higher, especially in small and medium-size towns with more residents.

The above scenario indicates that the investment required for the provision of water and sanitation services is very high compared to the expenditure by the central government and the budget of small and medium-size towns. For example, in 2002–2005, the total local authority expenditure per resident was between 4 and 13 dollars (300 and 900 Kenya shillings) while water and sanitation expenditure was between 1.5 and 4 dollars (100 and 300 Kenya shillings) per resident. This is far too low for Kenya to achieve this goal by 2015.

### Improving living conditions of urban slum residents

The Millennium Development Goal number 7, target 11, aims to significantly improve the lives of at least 100 million slum residents and shanty structures in urban areas all over the world. While all towns in Kenya face the same problem, it is essentially Nairobi's popular slums and informal settlements that attract the attention of developers, researchers, international organisations (like Habitat) and charitable associations.

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The urban slum population

In Kenya, the slum areas and suburbs have their origins in the segregation that characterized urban development and in the emergence of a proletariat of landless who came to town in search for under-paying jobs. Racial and space segregation dominated the work place and housing. As early as the 1920s, there were eight informal African residential areas in Nairobi, which were, apart from two of them (Kibera and Pumwani), illegally occupied (Rodriguez-Torres, 1998). Mathare Valley, Nairobi's largest slum area started coming up in 1919, and together with Kibera, Kawangware and others have remained as such till today. There is little immediately available information on the history of such settlements in small and medium-size towns in Kenya but one can imagine that the process resulted from the same factors at different times. This, for example, is the case of slums in Nyahuruu occupied by small-scale farmers driven out of Rift Valley following ethnic clashes in the 1990s.

Whereas it is possible to give an objective definition of a slum, as does the UN-Habitat for example, there is need to first consider that in Kenya slums were "invented". Social segregation was a consequence of spatial segregation and urban development policies. Officials talk about concern over poverty problems but nothing concrete has happened, or the action taken has introduced new forms of segregation, like the Mathare 4A project. The process is cumulative: the socio-economic constraints prevent any genuine integration in towns, worsening the precariousness and illegality of life and activities in slum areas. The main question is first linked to the squatter (illegal occupant) status, which by principle and by nature excludes the individual from any official identity, even though this is not the status of all occupants of Kenya's slum areas.

According to Olima (2001), the existence of slums is the result of a combination of two factors: defective national housing policy and an ineffective and corrupt system of urban governance. Other factors have also contributed to the development of informal settlements<sup>6</sup>: ineffective public policy, inability to do urban planning on the basis of demographic growth, the difficulty in meeting needs of the people, inequalities in access to services, land ownership insecurity

and gender inequalities. Other wider issues also need to be taken into account: debt burden, reduction in development aid, and sometimes inappropriate donor programmes.

UN-Habitat has developed an array of slum indicators, that is, a family living in a slum area is a family lacking in one or several of the conditions listed below:

- Sufficient access to quality water (access to sufficient quantity to meet the needs of the family, at a reasonable price, available to family members without extreme efforts to obtain it).
- Access to a good sanitation system (access to management of sanitation in whatever forms they may exist: private latrines or public ones shared by a reasonable number of individuals).
- Security of land tenure<sup>7</sup> (families are in possession of documents that can be used as proof of status of ownership, and enjoy de facto protection or perceived protection against forcible eviction).
- A structure of quality housing (housing situated on land that is not under major risks, housing made of a permanent structure).
- A sufficiently habitable surface (no over-population, each piece is shared between a maximum of two people).

In Kenya, a combination of lack of land to build new urban houses and very high rents explain why a number of urban dwellers live under precarious conditions. The World Bank has shown that without land reform and equitable access to land, Kenya's economic growth in the middle and long-term will remain limited.

From its definition, the UN-Habitat estimated that in 2003, 71 per cent of the Kenyan urban population were living in slum areas, increasing from 67 per cent in 1990 and 70 per cent in 2001. Additionally, according to Kenya's Ministry of Housing, Roads, and Public Works, slum dwellers in Nairobi accounted for 55 per cent of the total population of the capital and occupied less than 5 per cent of the city's land.

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*Table 5: Slum population in urban areas*

	<b>1990</b>	<b>2001</b>
Population in the slum areas in millions	4	7.6
Percentage of slum population in comparison to urban population	67%	70%

*Source:* United Nations statistic division

Most of the small and medium-size towns have slums and low-income residential areas, more often than not, within the borders of their municipalities. Thika, for example, has one of Kenya's largest slum areas—Kiandutu—where more than 100,000 people out the 250,000 residents of the town live. Economic liberalisation, greater role of the market forces in the relationship between towns and the rural areas, a degree of rural abandonment linked in part to the crisis in the main agricultural sectors and the land problem, weigh more and more on small and medium-size towns and in particular on their informal sector. The slum problem in small and medium-size towns arises first and foremost from difficulties facing rural areas, compounded by contradictions that are unique to towns. This explains why municipal authorities have difficulty of their own in dealing with the emergence of these poorly integrated parallel towns.

Investments required to provide basic services to slum dwellers

As a general rule, municipal councils do not have means to provide basic services to slum dwellers. In Nyeri, some of the 30,000 residents (out of a total population of 250,000) of the three slum areas have access to some services and municipal council has initiated an infrastructure improvement programme. In Machakos, the municipal council provides residents of the Swahili village with water, sanitation systems, drainage of sewerage water and access roads. However, it is not simply a question of access to basic services (which is a problem of facilities), but also and above all a problem of the ability of residents to pay for the services (which is a social issue).

The Millennium Development Goal on slums is no doubt one of the most difficult to achieve given its general nature, definition and conceptual problems<sup>8</sup> and the lack of data in sufficient quantity and quality.

### **The need for a National Land Policy in Kenya**

The Government of Kenya has initiated the National Land Policy Formulation Process and is at the present time working with different stakeholders in order to adopt a National Land Policy (NLP). The NLP will provide for sustainable growth and investment and a reduction of poverty in line with Kenya's overall development objectives. The key challenges for the land sector in Kenya are:

- Insecure tenure, in particular for the urban and rural poor, for women, for HIV/AIDS-affected households, for pastoralists and other vulnerable groups in both urban and rural areas.
- Poor land administration and highly limited lack of access to land information systems (poor quality records, extended technical processes and lack of transparency and user friendliness).
- Weak and/or ineffective mechanisms for the fair, timely, affordable, transparent and accessible resolution of land disputes at the community and district levels.
- Land fragmentation.
- Governance in the land sector still needs to be strengthened.
- Limited harmonisation of different tenure regimes.

*Source: World Bank (2005)*

In Kenya, the government committed itself to a policy of improvement of the living environment in the slum areas through access to security of land tenure as well as the provision of infrastructure, services and affordable housing in urban centres. The voted policies did not adequately consider the increase in the population of poor urban dwellers, resulting in the development of informal shelters in town. Today, in the *Poverty Reduction Strategy Paper*, the *National Housing*

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*Policy and the National Report and Plan of Action on Shelter and Human Settlements*, the improvement of slum areas is recognized as part and parcel of the country's economic development.

The Kenya government, in collaboration with the UN-Habitat, has initiated the Kenya Slum Upgrading Programme (KENSUP). The purpose of the programme is to create the necessary conditions for upgrading slums in the long term. The main objective is to improve living conditions of people living and working in the slums of the country's urban and rural areas.

UN-Habitat assessed the investment need for upgrading slums in Kenya<sup>9</sup>. Several aspects were taken into consideration:

- Infrastructure (construction, purchase of land, costs of relocation, collection of solid waste, schools and health centres, etc.).
- Infrastructure maintenance.
- Services (police and fire fighters, community facilities, transport, microfinance, etc.).
- 50 m<sup>2</sup> parcel of land per family.
- 50 per cent of the land should be bought.

In 2015, UN-Habitat is of the opinion that more than 600,000 families will be living in the informal residential areas. Table 6(a), (b) and (c) give an indication of the investment needed to upgrade slums in Kenya.

*Table 6(a): Investment needed to upgrade slums in Kenya*

	<b>Number houses in need of upgrading</b>	<b>Average cost per house</b>	<b>Total cost of upgrading slums</b>
Annually	63,000	USD 4,200 (KSh 300,000)	USD 265 million (KSh 19 billion)
2005–2015	630,000	USD 4,200 (KSh 300,000)	USD 2,7 billion (KSh 190 billion)

*Source:* UN-Habitat

Table 6(b): Investment needed to upgrade slums in Kenya

Slum improvement	Annual expenditure USD million	2005–2015 USD million
Enabling environment for accessing land and secure tenure	1.1	12.5
Upgrading and deterring new formations	893.2	9825.0
Integrated urban planning	6.8	75.0
Capacity building for stakeholder participation	5.0	55.0
Integrated communication framework	1.1	12.5
Total	907.2	9980.0

Source: UNDP/Government of Kenya (2005).

Table 6(c): Investment needed to upgrade slums in Kenya

	Total USD	Total KSh
Slums	10.0 billion	710 billion
Water and sanitation	570.0 billion	40 billion
Total	10.6 billion	750 billion

Source: UNDP/Government of Kenya (2005).

UN-Habitat also stresses the development of employment opportunities in the slums and development of private sector in informal residential area upgrading projects. Initiating employment opportunities implies establishing micro-finance systems, encouraging facilities for commerce and industry and developing training programmes. Finally, enhancing the capacity of the private sector implies establishing sites for various industries and reserving part of the land for industrial purposes. Therefore, the Kenya government needs to work in collaboration with various donors to find the necessary resources in order to genuinely improve the living conditions of slum dwellers.

A UNDP report written after a study carried out in cooperation with the Kenya government on the cost of achieving the millenium goal on the improvement of

living conditions of slum dwellers estimates that 10 billion dollars (710 billion Kenya shillings) is needed to achieve this goal. According to the sources, the cost estimates vary and even on the basis of the lowest estimates, investment is still high. In addition, the investment is far removed from the resources the country allocates to the fight against poverty, provision of basic services in urban areas and the improvement of the conditions of living in slums. Thus, the management of financial resources is of far much more importance than the fact that the resources are very scarce.

In conclusion, the phenomenon of slums and poverty, in general, should be looked at afresh, taking into account the fact that one third of Nairobi residents live in a slum area, a ratio applicable to small and medium-size towns if low-income residential areas and poor fringes that fall neither under urban or rural areas are included. It is therefore not a marginal phenomenon and the people who live there themselves are not, as *People Daily* writer George Kamau<sup>10</sup>, who wrote “*redundant surplus*”, must have been inspired to quip:

they are the symptoms or the products of slogans like “development” or “modernization”, which are built upon inequalities. Can the millennium development goals in effect resolve the problems that development itself created?

This ambiguity is at the heart of local municipal authority action. The resources that the country allocates to the fight against poverty come from the state budget, local authority budgets, aid that developed countries allocates to recipient countries, and investment by various donors. Local authority budgets, in particular, are especially limited and do not allow Kenyan municipalities to respond to the needs of urban dwellers.

#### *Endnotes*

1. These are the reference values re-used in the 2005 publication of the report ‘*Who and Where are the Poor?*’ even though the rate of inflation between 1997 and 2005 was on the average above 7 per cent per annum. In order to keep the 1997 references in real value (i.e. the ability to acquire the same basic goods taking inflation into account) these figures need to be doubled in 2005. This will no doubt increase the percentage of the poor significantly.

2. According to Philippe Bocquier (2005), a growing number of employees in Nairobi are informally contracted by formal firms at the expense of their social and legal protection. Seven out of eight jobs in Nairobi depend on the formal sector through formal and informal contracts. ([ideas.repec.org/p/dia/wpaper/dt200510.html](http://ideas.repec.org/p/dia/wpaper/dt200510.html)).
3. Refer to [gwpforum.org](http://gwpforum.org).
4. The French government supports privatization of the Kisumu water and sewerage drainage services.
5. On the average, between 17 and 35 per cent of the population in Kenya's secondary town has access to tapped water at home.
6. Observatoire Mondial Urbain, UN Habitat, 'Guide pour l'évaluation de la cible 11 : améliorer sensiblement la vie de 100 millions d'habitants des bidonvilles', April 2003.
7. The security of land tenure is the right of any individual of group to effective state protection against illegal eviction.
8. Until very recently, there was no recognized definition of the term slum by the international community. Other notions were therefore used to account for the existence of slums: the percentage of the population living in informal residential areas, with poor durability, quality or size of housing, level of basic services. In 2002, experts defined slums as the adjacent housing areas where residents have inadequate housing and basic services. Slums are not always recognized or considered by authorities as an integral and equal part of the town.
9. UN-Habitat, 'How to meet MDGs in secondary towns?', MDG draft report, November 2004.
10. *People Daily*, 'Nairobi 'new slums'', 9 November 2005.

*Small and medium-size towns in Kenya*

*Informal settlement in Kakamega town*

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*Swahili village in Machakos*

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