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## Habitat for Humanity: Calibrating Best Practice Against the MDGs

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# **Habitat for Humanity: Calibrating Best Practice Against the MDGs**

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**Dr M. Satish Kumar  
Dr Niall Majury**

School of Geography, Archaeology and Palaeoecology,  
Queens University Belfast,  
Belfast, BT7 1NN

*Prepared for Habitat For Humanity Northern Ireland*



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**Habitat for Humanity:  
Calibrating Best Practice Against the MDGs**

**PROJECT OBJECTIVES**

- 1) Review the case study material provided by HFH NI, identifying examples of good practice and situate these within the broader context of the MDG framework.
- 2) Where examples of good practice have been identified, map these onto specific Millennium Development Goal targets and technical indicators that will enable HFH and major funding institutions measure how particular housing projects have met specific MDGs.
- 3) Identify appropriate development priorities for HFH International projects. These may include those currently addressed but undervalued in how the projects are represented both internally and externally.
- 4) To note examples of good practice and to measure their impacts on access to shelter and to resources such as materials/skills/land.
- 5) Insofar as the information provided allows, identify what has been done well and the lessons learnt both organisationally and in terms of practice.

**Habitat for Humanity:  
Calibrating Best Practice Against the Millennium Development Goals**

**Executive Summary**

Poverty alleviation lies at the heart of contemporary international initiatives on development. The key to development is the creation of an environment in which people can develop their potential, leading productive, creative lives in accordance with their needs, interests and faith. This entails, on the one hand, protecting the vulnerable from things that threaten their survival, such as inadequate nutrition, disease, conflict, natural disasters and the impact of climate change, thereby enhancing the poor's capabilities to develop resilience in difficult conditions. On the other hand, it also requires a means of empowering the poor to act on their own behalf, as individuals and communities, to secure access to resources and the basic necessities of life such as water, food, shelter, sanitation, health and education. 'Development', from this perspective, seeks to address the sources of *human insecurity*, working towards 'freedom from want, freedom from fear' in ways that empower the vulnerable as agents of development (not passive recipients of benefaction).

Recognition of the magnitude of the problems confronted by the poor and failure of past interventions to tackle basic issues of human security led the United Nations (UN) in September 2000 to set out a range of ambitious, but clearly defined, development goals to be achieved by 2015. These are known as the Millennium Development Goals (MDGs). The intention of the UN was to mobilise multilateral international organisations, non-governmental organisations and the wider international community to focus attention on fulfilling earlier promises to combat global poverty. This international framework for development prioritises: the eradication of extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a global partnership for development. These goals have been mapped onto specific targets (18 in total) against which outcomes of associated development initiatives can be measured and the

international community held to account. If the world achieves the MDGs, more than 500 million people will be lifted out of poverty. However, the challenges the goals represent are formidable. Interim reports on the initiative indicate a need to scale-up efforts and accelerate progress.

Only MDG 7, Target 11 explicitly identifies shelter as a priority, identifying the need to secure 'by 2020 a significant improvement in the lives of at least 100 million slum dwellers'. This raises a question over how Habitat for Humanity's commitment to tackling poverty housing fits within this broader international framework designed to alleviate global poverty. From an analysis of HFH case studies, this report argues that the *processes* by which Habitat for Humanity tackles poverty housing directly engages with the agenda set by the MDGs. This should not be regarded as a beneficial by-product of the delivery of decent, affordable shelter, but rather understood in terms of the ways in which Habitat for Humanity has translated its mission and values into a participatory model that empowers individuals and communities to address the interdependencies between inadequate shelter and other sources of human insecurity. What housing can deliver is as important as what housing itself is.

Examples of the ways in which Habitat for Humanity projects engage with the MDG framework include the incorporation of sustainable livelihoods strategies, up-grading of basic infrastructure and promotion of models of good governance. This includes housing projects that have also offered training to young people in skills used in the construction industry, microfinanced loans for women to start up their own home-based businesses, and the provision of food gardens. These play an important role in lifting families out of poverty and ensuring the sustainability of HFH projects. Studies of the impact of improved shelter and security of livelihood upon family life and the welfare of children evidence higher rates of participation in education, more time dedicated to study and greater individual achievement. Habitat for Humanity projects also typically incorporate measures to up-grade the provision of basic sanitation facilities and supplies of safe, potable drinking water. These measures not only directly help reduce mortality rates (e.g. diarrheal diseases account for around 2 million deaths annually in children under 5), but also, when delivered through HFH project-related 'community funds', empower the poor to mobilise community resources, develop local leadership capacities and even secure *de facto* security of tenure from government authorities.

In the process of translating its mission and values into practical measures, HFH has developed a range of innovative practices that deliver much more than housing alone. The organisation's participatory model enables both direct beneficiaries and the wider community to tackle the insecurities they face, unlocking latent skills and enterprise, building sustainable livelihood capabilities. HFH plays an important role as a catalyst for change, delivering through the vehicle of housing the means to address the primary causes of poverty itself. Its contribution to wider development priorities deserves better recognition. In calibrating the success of HFH projects in terms of units completed or renovated alone, the significance of the process by which HFH realises these outcomes is often not sufficiently acknowledged, both within the organisation and externally. As the case studies developed in the report illustrate, the methodologies Habitat for Humanity employs to address the issue of poverty housing within the developing world, place the organisation at the centre of a global strategic agenda to address the root causes of poverty through community empowerment and the transformation of structures of governance.

Given this, the global network of HFH affiliates constitutes a unique organisational framework to facilitate sharing resources, ideas and practical experience across a diverse range of cultural, political and institutional environments. This said, it is apparent that work needs to be done to better to facilitate the pooling of experience and lessons learnt from across its affiliates. Much is to be gained from learning from less successful projects, sharing innovative practices, identifying strategic partnerships with donors, other NGOs and CBOs, and engaging with the international development community on how housing fits within a broader agenda to alleviate poverty and promote good governance.



**Habitat for Humanity:  
Calibrating Best Practice Against the Millennium Development Goals**

‘Our work [is] to translate into reality the Millennium Declaration ...  
a blueprint for *building* a better world in the twenty-first century’  
(Kofi Annan 2003)

‘Adequate shelter provides so much more than a roof.  
It is one of the corner stones upon which healthy, productive lives can be built’  
(Habitat for Humanity International 2008)

‘Habitat for Humanity believes in putting faith into action and your daily actions  
demonstrate this love for others. As the walls go up, so many more invisible walls come  
down and new hope is built in the heart of the community’  
(Archbishop Desmond Tutu, 2007)

**1. Global Development, Human Security & the Millennium Development Goals**

**1.1 Global Poverty and Shelter**

Slum dwellers make up a third of the world’s urban population, lacking access to durable shelter, sufficient living area, safe drinking water, basic sanitation and security of tenure (UN HABITAT, 2006). This amounts to over one billion people. In some regions of the developing world the majority of urban inhabitants live in slums. In Sub-Saharan Africa, for example, it has been estimated that 72% of the rapidly growing urban population live in such conditions. Given current trends, the global number of slum inhabitants is projected to rise to 1.4 billion by 2020 (UN HABITAT 2003). Reflecting the significance of these trends, the Millennium Development Goals (MDGs) forged by the member states of the United Nations in the year 2000 explicitly identified improving the living conditions of slum

residents as an important priority (Goal 7, Target 11). This said, as Payne (2005) has pointed out, its goal of improving the lives of at least 100 million slum dwellers by 2020, if achieved, will meet only 11% of existing and 7% of projected need. Clearly the task of improving the living conditions of the poor globally is both daunting and pressing.

Given that the number of people living in informal settlements often outnumber those living in legally planned ones, a common assumption is that granting clear land titles will encourage the poor to upgrade their shelter, enable them to gain access to credit and provide a means of improving their livelihoods (de Soto 2000). Research amongst slum dwellers in Africa (Mitchell 2007) and Asia (McLeod 2003) has concluded that the poor do indeed invest in permanent housing when they have assurance of security of tenure. Yet this research also reveals that most often the costs of obtaining land title far exceeds the costs of house construction, effectively making titling unaffordable for the poor. The unaffordability of housing is further compounded because of a lack of formal, permanent source of income. Uncertified incomes generated in the informal economy are rarely accepted by financial institutions as a basis for providing credit to upgrade housing, even where an individual can prove clear land title. Indeed within the developing world households that can establish under the law formal ownership or title to a parcel of land are often refused credit from financial institutions as the nature of the borrower's income and source of livelihood is the most important criteria used in assessing his or her chances of meeting loan repayments. Banks are universally risk averse when it comes to the poor and their housing needs.

As the nature and magnitude of the problems faced by slum residents illustrates, the challenge of poverty housing requires understanding the wider constraints the poor face within particular places and regions. Successful, lasting interventions stem from an

understanding of and practical engagement with the constraints and stresses the poor have to live with and manage on a daily basis (DFID 1999, Krantz 2001, Biermann 2005). This report seeks to illustrate how in dealing with these constraints Habitat for Humanity International acts as a catalyst for change. The report argues that in the process of translating its mission of working in partnership with people to provide safe, affordable shelter into practical measures, Habitat for Humanity affiliates have developed a range of innovative practices that deliver much more than housing alone. Housing has become a strategically important vehicle for a wider transformation; a critical element for enhancing livelihood strategies, promoting good governance and tackling the primary cause of poverty itself.

## **1.2 Human Security and Housing**

*Development* is a process of expanding real freedoms that people enjoy. It is fundamentally about advancing the richness of human life, rather than the richness of the economy per se (Sen, 1999). Lack of substantive freedoms relates directly to economic poverty, which robs people of the freedom to feel *secure* about their existence. Substantive freedoms relate to security of livelihood and relates naturally to security of housing and land tenure. According to the UN Commission for Human Security (2000), key to this is creating an environment in which people can develop their potential, leading productive, creative lives in accordance with their needs, interests and faith. This requires addressing the sources of *insecurity* that threaten human survival, undermine the dignity of men and women, expose people to the vagaries of disease and pestilence and subject the most vulnerable in society to loss of livelihood and extremes of deprivation. It necessitates 'safeguarding and expanding people's vital freedoms ... both *shielding* people from acute threats and *empowering* people to take charge of their own lives' (UNCHS 2003: iv,

authors' emphasis). On the one hand, this entails protecting the vulnerable from things that threaten their survival, such as inadequate nutrition, disease, conflict, natural disasters and the impact of climate change, thereby enhancing the poor's capabilities to develop resilience in difficult conditions. On the other hand, it also requires a means of empowering the poor to act on their own behalf, as individuals and communities, to secure access to resources and the basic necessities of life such as water, food, shelter, sanitation, health and education.

Kofi Annan (former UN Secretary General) has argued that 'human security ... encompasses human rights, good governance, access to education and health care and ensuring that each individual has opportunities and choices to fulfil his or her own potential. Every step in this direction is also a step towards reducing poverty, achieving economic growth and preventing conflict' (2000). Lack of different forms of freedom results in greater political, social, and civic instability, threatening world order and peace. There is a need to stress the intrinsic link between development, peace and security. Only by reducing poverty and improving environmental management over the coming decades can a rise in the number of conflicts and state failures be averted. As Sen (1999) notes, freedom is not only the primary ends of development, it is also among its principal means. 'Development', from this perspective, is agent-oriented. With adequate community and social opportunities, individuals can effectively shape their own destiny and help each other towards betterment of their lives. As we shall illustrate in this report, Habitat for Humanity's participatory model is particularly effective in working towards these ends, reflecting the *value* the organisation places on the dignity of those it partners with and *process* by which it seeks to empower people as agents of development (and not passive recipients of benefaction).

The core mandate of development in the 21<sup>st</sup> century is the reduction of poverty in the world. This can be possible if based on realising development as a basic human right. The *UN Declaration on the Right to Development* (1993) recognised this, reinforcing and underscoring the point that individual freedom cannot exist without economic security and independence. As Sen (1999) says, development is best seen as a process of expanding the substantive freedoms that people enjoy. Development is about betterment of humankind through the alleviation of poverty *and* the realisation of human potential. In working towards 'freedom from want, freedom from fear' (UN CHS 2000), it seeks to address the sources of human insecurity and conflict.

### **1.3 The Millennium Development Goals**

Recognition of the magnitude of the problems confronted by the poor and the apparent failure of past interventions to tackle basic issues of human security, led the UN on the eve of the Millennium in September 2000 to set out a range of ambitious, but clearly defined, goals and targets to be achieved by 2015. The intention was to mobilise multilateral international organisations, non-governmental organisations and the wider international community to focus attention on fulfilling earlier promises to fight poverty. The Millennium Development Goals (MDGs) targeted extreme poverty, hunger, education, gender equality, environmental sustainability and governance. As a report on progress in reaching these goals noted, 'the challenges the Goals represent are staggering' (UN 2007, p.3). If the world achieves the MDGs, more than 500 million people will be lifted out of poverty. However, since the declaration of the MDGs, progress has been slow and uneven. At a recent debate at the United Nations, Srgjan Kerim (President of the General Assembly) argued there is a pressing need to scale-up efforts and accelerate progress, highlighting in particular 'a huge challenge in Africa, which saw absolute poverty rise over

the last decade. In sub-Saharan Africa, a third of men, women and children are malnourished and on current trends 360 million people will still live in poverty by 2015' (Kerim, 2008)

An important key to this will be the financing of workable poverty-reduction schemes put forward by the poorest nations themselves. Thus increasing public and private sector investments will ensure the eradication of unfreedoms witnessed by the developing world. Achieving the MDGs is contingent on high-income nations increasing development aid from 0.25% of their GNP in 2003 to 0.44% in 2006 and to reach the 0.7% by 2015. This calls for a massive increase in aid to poor countries from the \$20bn a year at present to at least \$135bn a year. To raise aid to \$195bn by 2015 would halve world poverty within a decade. The United States, with its \$12 trillion economy, contributes the least development aid among 22 industrial nations with some 0.15%, followed by Italy at 0.17%, and Japan at 0.20%. Only investment on this scale can prevent 700 million people slipping further into preventable disease and extreme poverty. Wealthy nations need to contribute 55 per cent more than the current commitments. They need to open their markets to exports from Africa and Asia and provide debt relief.

So far, nearly 190 countries - including the entire European Union - have signed up to the MDGs. The goals were introduced to encourage the international community to stop merely talking about making a difference in the developing world and join forces in a 'global partnership' to act. The issues identified and prioritised by the MDGs include the:

- 1) Eradication of extreme poverty and hunger.** *Target 1:* Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day. *Target 2:* Halve the proportion of people who suffer from hunger.

- 2) **Achieving universal primary education.** *Target 3:* Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary education.
  
- 3) **Promoting gender equality and empowering women.** *Target 4:* Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.
  
- 4) **Reducing child mortality.** *Target 5:* Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.
  
- 5) **Improving maternal health.** *Target 6:* Reduce by three-quarters the maternal mortality ratio.
  
- 6) **Combating HIV/AIDS, malaria and other diseases.** *Target 7:* Have halted by 2015 and begun to reverse the spread of HIV/AIDS. *Target 8:* Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.
  
- 7) **Ensuring environmental sustainability.** *Target 9:* Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. *Target 10:* Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. *Target 11:* Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers.
  
- 8) **Developing a global partnership for development.** *Target 12:* Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system (that includes a commitment to good governance, development, poverty reduction both nationally and internationally). *Target 13:* Address the special needs of the least developed countries. *Target 14:* Address the special needs of landlocked developing countries and small island developing states. *Target 15:* Deal comprehensively with the debt problems of developing countries through national

and international measures in order to make debt sustainable in the long term. *Target 16:* In cooperation with developing countries, develop and implement strategies for decent and productive work for youth. *Target 17:* In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries. *Target 18:* In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies.

From the list of goals identified within the MDG framework, only MDG 7 ('Ensuring Environmental Sustainability') explicitly identifies shelter as a priority, targeting a 'significant improvement in the lives of at least 100 million slum dwellers by 2020'. This raises a question over how Habitat for Humanity's commitment to tackling poverty housing fits within this broader international framework designed to alleviate poverty, promote good governance and enable the construction of sustainable livelihoods among the poor. As shall be illustrated later in this report, what housing can deliver is as important as what housing itself is. Indeed the processes by which Habitat for Humanity in particular tackles poverty housing, empowering individuals and communities to address the interdependencies between inadequate shelter and other sources of human insecurity, delivers on many of the targets set by the anti-poverty Millennium Development Goals. How the organisation translates its vision into practical interventions – the 'ground work' that make projects possible and sustainable - directly engage with the MDG agenda, establishing a strategically significant legacy for the reduction of global poverty.



## **2. Global Development Perspectives on Housing**

### **2.1 Housing Technologies versus Financial Technologies**

The housing sector plays an important role in the economic and social development of a country. The access to and the quality of housing and basic services associated with it directly influence the quality of life of the poor, and their economic productivity. Thus, a unique feature of housing is that it is both a durable, tangible consumption good and a major source of capital formation. Housing acts as a major stimulant for generating employment, output, and income. In fact, there is clear evidence that investment into housing in the post-war period led to the economic revival of devastated nation states of Europe, Japan and elsewhere. Housing therefore can no longer be viewed as simply an individual driven activity and needs proper care and implementation.

Gilbert (2004) has provided an overview of the failure of public housing schemes. He states, "It has never proved easy to help the poor through housing subsidies, particularly in poorer countries" (p.13). The policy of a market-based strategy to provide shelter was clearly couched in a neo-liberal economic doctrine. However, it also "revealed the achilles heel of all subsidy policies - too many families in search of too few subsidies" (p.13-14). The resource gap has been attributed as the main cause for the failure of public housing schemes. Indeed, emphasis on simple formal and semi-formal housing solutions with limited subsidies has meant that housing standards were compromised, appearing as "slums of the future" (p.14).

The need to scale up the provision of houses by all possible means has become an increasingly pressing imperative. This is largely due to the inadequacy of 'project-based'

approaches to housing such as 'site and services' and 'settlement up-gradation' programmes for the poor in these countries. Multilateral agencies since the early 1990s have been calling for the adoption of '*enabling strategies*' for the development of the housing sector as a whole by expanding the formal private market mechanism (World Bank, 1993, 1988; Pugh, 1995, 1994). This calls for specific institutional reforms in the supply of housing for the poor. Thus adequate shelter for all has to be matched with sustainable human settlements (UNCHS, 1996) and this is possible only by adopting an enabling strategy, which brings together both public and the private sectors in any given society. The recognition of a "diversity of modes and agents of housing provision" has initiated a greater role for the NGOs such as Habitat for Humanity and has helped build meta networks for efficient provision of housing stock to the vulnerable sections of society. Given that public housing has a limited reach in the global world, the role of private housing which innovatively utilises resources and expertise garnered from the NGOs and other institutions becomes critical where 'eagles dare to fly'!

## **2.2 Housing Enablement**

Thus, an enabling strategy calls for identifying new forms of partnership. Such a pluralist strategy would be far more comprehensive and inclusive in nature by bringing together key innovative practices from diverse socio-economic and cultural contexts. This will allow for the creation of synergies for efficient and affordable housing solutions. Such partnerships will act as a bridge between private, public and the NGO bodies engaged in support for the poor and vulnerable. It will also enhance participation across the community, largely envisaged in the incentives provided by public bodies in the regularisation of informal land, tax incentives, etc. The possibility of a public and private partnership can easily be endorsed in a cooperative mode of housing provision, whereby free land provided by the

state can then be financed by a cooperative society to finance their housing units. The significance of providing microfinance options to support such an endeavour is greatly enhanced by this approach.

In the housing market transaction costs become quite significant such as legal fees, realtor fees, title insurance and credit rating searches (North, 1990:62). Having a public-private partnership in the delivery of housing will ensure a reduction in such transaction costs. Cooperative housing experience in the Developing South has clearly indicated the success and potential of such initiatives. Mapping a needs-based analysis at the local level is critical to appreciating local constraints and possibilities. This may provide the opportunity for Habitat for Humanity to consider alternative innovative models for delivering affordable, decent shelter. For example, there is a huge scope and opportunity for exploring and expanding the institutional potential of housing cooperatives in order to fulfil housing objectives of the poor. Most housing cooperatives happen to be housing finance cooperatives that cater to low and middle-income households. Within cooperatives, transaction costs would include entry costs, costs of legal registration, establishment costs, etc. Thus any case for rearrangement of deeds, ownership, etc will entail an additional cost. Cooperative housing helps to spread the transaction costs across the membership. These cooperatives are provided with preferential treatment such as allocation of land, credit and other subsidies (lower interest rates, exemption from certain levies and duties). Thus the success of cooperative housing schemes have been largely due to an enabling institutional framework that allows cooperatives to perform multiple functions in favour of the poor. In this respect, housing enablement or an enabling strategy to housing is based on the premise that governments will play an active role of supporting rather than actually providing housing stocks. Such a concept can be traced back to the writings of Turner (1968, 1976). These ideas were strategically picked up by multilateral

agencies such as the World Bank (Hamdi, 1991). It was also endorsed by the Global Strategy for Shelter (GSS), whereby governments have been encouraged to be a creative facilitator by providing access to land, finance, and removing restrictive practices, which hamper community participation in the housing and building process.

### **2.3 Finances for Housing**

Housing finance has risen to the top of the urban policy and research agenda. Over the years there has been a debate decrying the housing policies which focus on 'site-and-services' projects and mass public construction programmes as they have failed to resolve the housing crisis in the developing world. There was a view too that pursuing housing policies based on 'cheap finance' such as interest rate subsidies distort housing and finance markets, thereby placing enormous pressure on housing supply options (Buckley, 1996; Malpezzi, 1990). At the same time, steps have been taken to enable the integration of formal and informal finance through community banks and micro-financing options based on partnership between global NGOs, local governments and other affiliated agencies.

Research has also shown that one-off targeted grants can help stimulate demand for housing among the poor (Buckley, 1996). Housing needs have to be made sensitive to the needs of the community and not just towards meeting the targets and priorities of supporting financial institutions. Housing and land are the most valuable assets for the poor in any community. The poor and the vulnerable have to be treated equally as managers of portfolios of assets and associated legal, institutional and infrastructural arrangements required to meet their housing needs. Rising costs of living, as reflected in global commodity and financial markets, call for concerted action to address the issue of

affordable housing for the poor and most vulnerable (UNCHS, 1996). Over-bureaucratisation of land markets in the developing world has generally resulted in illegal transactions and land grabbing, (Azizi, 1998; de Soto, 1986) and increased transaction costs for delivery of housing stocks. According to UN HABITAT (1996), in Africa one needs to go through 33 steps to formally acquire a piece of land. A consequence of this sort of bottleneck is that most affordable land is available on the periphery of any township where infrastructure facilities are poor or non-existent. Thus, access to land will seriously affect the transition from non-ownership to ownership forms of tenure. The poor in the developing world in general are averse to debts and seek to minimise periods of indebtedness. How to facilitate their needs will be a major challenge for the future.

There are high transaction costs in small scale lending policies, particularly where there are difficulties of collateral and where tenure is extra-legal. However, these critical issues can be addressed through microfinance initiatives within the housing sector. This said, one still needs to assess how far the nature of the land market impinges upon housing finance problems. Does it encourage short cycles of effective savings/ borrowing? Research has shown that in the name of flexible housing options, NGO actions tend to lock recipients to consecutive cycles of borrowing and thereby of indebtedness. We need to know more about the propensity to save among the poor before making judgments about their credit status. There is a close link between debt-aversion and savings. Financial technologies addressed by Habitat for Humanity need to see how far they encourage savings through microfinance initiatives at the community level (Johnson and Rogaly, 1997). As Datta and Jones (2001: 352) note, “rather than regard savings as a means to the end of microcredit, which imposes constraints on the programme to achieve scale without government subsidies, a ‘savings only’ route might be more beneficial to the poor and sustainable for the NGO”, i.e. *Habitat for Humanity* (emphasis added). A micro-financing approach has

been considered to be sustainable, especially in dealing with the poor. A microfinance approach looks at savings as a complement to loans whereby strategic partnerships are fostered between the beneficiary and HFH. Realistic assessment of a household's capacity to save along with the ability to pay back loans is critical to the financial and social sustainability of the project. This will also foster a culture of savings among the beneficiaries and would be reflected in greater efforts towards livelihood strategies, thereby embedding a longer term mutual relationship with HFH.

Habitat for Humanity has also contributed to the development of social capital built around networks of trust, reciprocity, and recognition among the members of the community. This is one of the key outcomes because the poor have debt-aversion and do not have the means to access external market finances for owning a house. The ability of group-based lending to enhance social capital is vital, which is largely a product of their existence in a close network of the poor. The only risk being the danger of fostering exclusionary practices based on ethnicity and religion among the communities. Housing therefore remains a critical element for *enhancing livelihood strategies* and thereby leading to the *alleviation of poverty* rather than the other way around. Housing cannot be tacked on to the *poverty alleviation* frameworks (Moser, 1998; Rakodi, 1999). In this sense, housing is an asset rather than an end in itself. Habitat for Humanity will be able to achieve much if it is able to focus on the impact of housing on poverty alleviation, especially the potential for projects and programmes to create social capital, engage in capacity building and encourage low-income households to develop savings and forms of livelihood that enable them to cope with stresses and shocks and thereby overcome vulnerabilities.

## 2.4 Incremental Housing Options

Habitat for Humanity has been focusing on ‘incremental housing’ options for the poor and the vulnerable through which residents can improve their living conditions. This reflects long-term sustainability and replicability. In a sense, incremental improvement seeks to match a level of infrastructure to the ability of the community or the local authority to manage housing demands in a sustainable way. Thus, settlement interventions are largely community-based, being participatory and collective in nature, thereby strengthening the social capital of the community. It has been observed that a structured approach to community decision-making tends to be far more effective in delivery. Housing finances need to establish a critical appreciation of the supply-side complexities, which either facilitate or inhibit the scaling-up of microfinance opportunities outside the realm of commercial lending policies. The provision of tailored microfinance products to the poor has been shown to increase housing portfolios by almost 50 percent per annum.

The primary barrier to reaching scale in housing microfinance is ‘*debt-aversion*’ among the poor. The key point for Habitat for Humanity will be to successfully identify families who qualify for microfinance options. Here Habitat for Humanity can play a strategic role in fostering community level partnerships through effectively managing financial services for the poor, provide incremental and progressive building and facilitate peer learning opportunities for the vulnerable based on self-help. The emergence of the idea of *self-help* in the housing sector can be traced to John F.C. Turner’s (1976) contribution to international housing. This include new homes as well as home improvement opportunities for the poor. Habitat’s provision of housing services to the poor and low-income households could potentially be scaled up, reaching many through the innovative ways it supports self-help in the alleviation of poverty. Home improvement loans help to stabilise

shelters for the poor. These types of innovative housing technologies in the form of installation of higher quality roofing materials, cement floors, window and door fixtures, and in house latrines and toilets are extremely successful and repayment rates have been 100 percent. Building in stages and improving incrementally over time are clearly sustainable options for the poor. Unlike traditional mortgage systems, incremental schemes help to reinforce social capital formation for the poor by supporting the way the poor build amidst the day-to-day constraints and uncertainties they face.

Thus, there is a need to appreciate the complexity of the context in which Habitat for Humanity has been operating over the past three decades. Housing therefore remains a critical element for *enhancing livelihood strategies ultimately leading to the alleviation of poverty*. Housing need not be tacked on to *poverty alleviation* frameworks. In fact, household livelihood strategies should be the primary starting point for poverty-oriented housing microfinance.

### **3 Habitat for Humanity: Realising Connections**

#### **3.1 Transforming Institutions, Regulations and Systems of Governance**

The enabling role of Habitat for Humanity relates to the facilitation and transfer of housing technologies and the regularisation of housing finance institutions and solutions in the developing world. This is based on capacity building through partnerships and institutional reforms in the housing sector. Habitat for Humanity has refocused its position on the Fund for Humanity particularly by addressing the issue of Habitat's lending practices in the context of subsidies and sustainability. The new initiatives undertaken for a sustainable future are the adoption of:



- *Financial innovations and creative solutions*
- *Sustainable housing policy at a community level*
- *Land tenurial security measures*
- *Forms of institutions to foster public-private partnerships*
- *The Brown Agenda such as drinking water, sanitation and sewerage*
- *Housing institutions, financial institutions and putting in place significant regulatory frameworks, thereby closing the gap between the public and the private.*

A key technique used by Habitat For Humanity is to match the cost of a home with the ability of a homeowner to repay the loan. The idea is not just provision of housing stock but of the transformation of the context in which the poor and the vulnerable exist. Here cross subsidy rather than simple subsidy allows for maximising the benefit and welfare of a large number of families. Subsidies include loan costs as well as sale price, which are collectively referred to as transaction costs. So the subsidy accrued to the communities are largely in the form of reduced transaction costs. Therefore, sustainability for *Habitat for Humanity* will typically include spreading the burden of transaction costs without necessarily compromising the principle of affordability for homeowners. Greater success in rates of loan repayment will ensure greater coverage of needy families. This calls for a realistic assessment of loan default, inflation and indeed loan costs. It has been observed that loan value is constantly eroded due to hyperinflation. Targeting inflation erosion calls for a commodity-based repayment policy whereby innovative approaches such as “a house for a house” takes the idea of community participation and self-help to a new level. It also helps to reinforce the idea of bonding and strengthening social capital, a key ingredient for the success of the commodity-based approach. Here targeting families is critical for the success of such a scheme. Financially innovative technologies as adopted

and adapted by Habitat for Humanity include diverse lending models such as partnership with microfinance institutions (MFIs), non-banking financial institutions, government housing banks and commercial for profit-banks. While this helps to carry forth the Habitat for Humanity programmes as “no profit, no interest”, there is plenty of space for leveraging appropriate local context-dependent partnerships to share Habitat’s no profit principles.

### **3.2 A Global Commitment**

Shelter is not only a basic human right, but also affects a family’s social position within the community and provides safeguards for property and income, whether personal or for enterprise. It is also important in ensuring the personal safety and rights of vulnerable girls and women. From our analysis of the wider literature on poverty housing and current practice within Habitat for Humanity, we have identified five emerging priorities:

- 1) The provision of affordable and environmentally sustainable sites for new housing stocks.
- 2) Establishing security of tenure for slum residents and other vulnerable groups, countering the threat of forced eviction and resettlement. Key to this is the forging of partnerships with local municipal authorities and community leaders, and the promotion of legal literacy among relevant stakeholders.
- 3) The provision of basic services in the up-gradation of existing and endemic slums/shanty towns, enabling these settlements to become healthier and more secure places in which to live (e.g. through facilitating the creation of community infrastructure funds and component sharing arrangements with municipal authorities).
- 4) Ensure an integrated approach to security of shelter, security of livelihood and environmental sustainability becomes a guiding principle in how Habitat for

Humanity's mission statement is translated into practical interventions within across different regions and how partnerships with other NGOs, community-based organisations, the private sector and government agencies are developed strategically.

- 5) Scaling-up of programmes through 'Quick Win' initiatives such as facilitating incremental house improvements and progressive builds, leveraging Habitat for Humanity's experience, expertise and resources to meet pressing need in ways that can be tailored to work with constraints introduced by different types of households and communities.

### **3.3 Habitat for Humanity & The Millennium Development Goals**

These emerging priorities map onto the targets prioritised within the Millennium Development Goals framework (see Section 1.3) for poverty reduction in a variety of ways. Housing is an important vehicle for enabling poor households to manage the constraints and stresses they have to negotiate. These include:

#### **MDG 1: Eradication of extreme poverty and hunger**

Habitat for Humanity projects that have incorporated strategies to support security of livelihood for partners explicitly address MDG targets to reduce by half the proportion of people living on less than a dollar a day (Target 1) and achieve full and productive employment and decent work for all, including women and young people (Target 2). These include programmes that have offered training to young people in skills used in the construction industry and microfinanced loans for women to start up their own home-based businesses. In addition provision for food gardens within Habitat for Humanity builds contributes towards reducing by half the proportion of people who suffer from hunger (Target 3).

## **MDG 2: Achieving universal primary education**

Studies of the impact of improved shelter and security of livelihood upon family life and the welfare of children (e.g. De la Quintana and Warner 2006) have evidenced higher rates of participation in education, more time dedicated to study and greater individual achievement. Projects that have incorporated arrangements for security of shelter and community-based care for orphans and vulnerable children have provided opportunities particularly vulnerable groups of children to continue with their education (Target 3).

## **MDG 3: Promoting gender equality and empowering women**

Establishing either formal or informal security of tenure through Habitat for Humanity projects and incorporating family livelihood strategies (such as support for caregivers to start home-based businesses) has made it more viable financially for families to support girls through their education instead of requiring them to contribute to the economic sustainability of the household. This plays an important role in working towards the elimination of gender disparity in primary and secondary education (Target 4).

## **MDG 4: Reducing child mortality**

Diarrheal diseases account for around 2 million deaths annually in children under 5. This stems from poor sanitation and unsafe drinking water. Habitat for Humanity projects provide not just secure shelter, but improved sanitation and access to safe drinking water thereby directly contributing to the reduction of mortality rate among children under 5 (Target 5).

## **MDG 6: Combating HIV/AIDS, malaria and other diseases**

By providing secure shelter for orphans, vulnerable children and their caregivers, and facilitating community support, Habitat for Humanity is helping halt and begin to reverse

the spread of HIV/AIDS (Target 7). In addition, education on HIV/AIDS awareness and prevention has been integrated within these projects. The distribution of insecticide treated nets and screens and provision of supplies of safe drinking water are helping 'halt and begin to reverse the incidence of malaria and other major diseases' such as cholera and diarrheal infections (Target 8).

### **MDG 7: Ensuring environmental sustainability**

The integration of the principles of sustainable development into countries' policies and programmes, and reversing the loss of environmental resources (Target 9) has been reflected in Habitat for Humanity's support for the use of traditional, local building materials, assistance in improving their manufacture and technical support offered through its Resource Centres. Access to clean, sustainable sources of water and improved sanitation is integrated within its building projects, contributing to efforts to reduce by half the proportion of people without sustainable access to safe drinking water (Target 10). Finally, provision of decent shelter for the rapidly growing population of slum dwellers and empowering community-based organizations through 'community funds' to install and maintain potable sources of water and integrated sanitation facilities has demonstrated its potential to achieve significant improvement in lives of slum dwellers (Target 11).

### **MDG 8: Developing a global partnership for development**

The often unacknowledged 'groundwork' necessary to align key government agencies, secure tenure and mobilise local leadership before a Habitat for Humanity build commences plays a significant role. This reinforces capacity building and institutional reform, establishing a commitment through partnerships at both the local and national level to good governance, development and poverty reduction (Target 12). Indeed the success of Habitat for Humanity projects has had an important demonstrative effect, illustrating to

government agencies and major donors the potential gains to be made from scaling up strategic interventions which Habitat for Humanity has helped pioneer (Target 13). Finally, the integration of programmes to train young people in construction skills has played an important role in developing decent and productive work for youth within the communities that Habitat for Humanity works with (Target 16).

In conclusion, the process by which Habitat for Humanity tackles poverty housing, empowering individuals and communities to address the interdependencies between inadequate shelter and other sources of human insecurity, delivers on many of the targets set by the anti-poverty Millennium Development Goals. This should not be viewed as a beneficial by-product, but rather understood in terms of the ways in which Habitat for Humanity has translated its mission and values into a participatory model that necessarily has generated a variety of practical interventions within the different contexts around the world in which it operates. As such, Habitat for Humanity is actually acting as a *catalyst for change*, using housing as a vehicle to mobilise latent, under-developed resources (i.e. the creativity, skills, enterprise and faith of the communities within which it works) to alleviate the primary causes of poverty through the promotion of sustainable livelihoods and good governance. This will be illustrated in the following section which explores examples of good practice. These case studies illustrate how the organisation's mission and core principles have been translated by local affiliates in creative, innovative ways to address the broader issue of human security through the provision of decent, affordable shelter. The good practices identified below reflect not only the *relative* autonomy granted to local affiliates and the different contexts in which they operate, but also, at a more fundamental level, embedding the values of the organisation itself, thereby privileging the dignity of those it partners with.

### **3.4: Global Good Practices**

#### **3.4.1 Africa & the Middle East: Managing Constraints, Securing Assets**

Tenure systems in Africa are varied and complex, reflecting different customary laws and practices, the legacies of colonialism and limited formal registration of land. Customary practices, usually unwritten, often co-exist uneasily with a patchwork of formal codified tenure systems. In sub-Saharan Africa traditionally security of tenure has been vested in the community, offering protection for the extended family. However these systems of allocation of rights to use land have been undermined by a marked growth in the flow of rural migrants to the region's cities, consequent rapid rates of urbanisation and the proliferation of informal settlements. The World Bank has estimated that the occupants of between 90 and 98 per cent of residential land in Africa do not enjoy formal tenure security (World Bank 2003). The perceived and often real threat of forced eviction discourages residents from investing in improved shelter, circumscribes the opportunities available for residents to realise some of the economic benefits that flow from security of tenure (i.e. strategies for securing a livelihood) and often ensures that slum residents remain cut off from the infrastructure for basic services (e.g. water and sanitation). The effect of tenure insecurity impacts in particular on women and orphaned children. Both formal laws and customary practices in many sub-Saharan countries systematically prohibit women from independently inheriting and owning land or housing.

Given the practical difficulties and relative cost of obtaining clear title to land for prospective homeowners and the pressing need of particularly vulnerable groups, local affiliates within the Africa & Middle East (AME) region have developed a number of innovative responses to the issue of insecurity of tenure. Significant in this respect is an

acknowledgement that establishing security of housing tenure requires engagement with a community, its leadership and government institutions (i.e. acting as a catalyst for capacity building and institutional reform) and often need not require establishing formal ownership rights over the title of land (i.e. adapting programme delivery to work around local constraints) (Duncan 2008). Examples include community funds to upgrade slums with basic services and legal literacy programmes.

Within the former Habitat for Humanity and its partners offer subsidised loans to groups of slum residents for neighbourhood infrastructure improvements. Working with local municipal authorities, utility trunk infrastructure is provided to the community's outer boundary and the community itself takes responsibility for installing pipes and connections using the loan to purchase materials. In this way the residents of informal settlements take responsibility for financing and managing the provision of community-wide basic services, creating a means for developing local infrastructure to access basic utilities where none formally existed before. In connecting the slum's community managed system of infrastructure legally to the municipal system (known as 'component sharing'), slum residents have not only been empowered to mobilise community resources to upgrade basic services, but also to secure a form of recognition from government authorities that establishes *de facto* security of tenure.

Habitat for Humanity has adapted this approach in creating community-managed affiliates (CMAs), empowering communities to manage their own Habitat housing projects through local committees, selected and appointed by the community itself. These local committees are supported with training in a range of skills necessary to manage and deliver on the project and take on responsibility for the day-to-day running of the project. Not only are overhead costs reduced, enabling the national affiliate to up-scale its activities, but more



importantly this approach plays an important role in developing both local leadership and the capacities to address other needs such as water, sanitation, schools and income generation. Given that traditionally security of tenure has been vested in the community, the work of community-managed affiliates raises local awareness of individual rights of tenure and collective responsibilities. This is particularly important for those especially vulnerable households that have been affected by the HIV/AIDS epidemic, where the death of the head of household can often result in the forced eviction of the remaining family members (see section 3.4.2). To help address this issue, a legal literacy programme (Inheritance and Succession Planning) has been rolled out across a number of national affiliates within Africa, training paralegals in inheritance provision, family law and tenure rights and working with both vulnerable households and community leaders to raise awareness of the needs and rights of those families affected by HIV/AIDS. In summary, community funds, community-managed affiliates and legal literacy programmes demonstrate flexibility and creativity in the ways affiliates have sought to address the issue of security of tenure within the local constraints and pressing need.

### **3.4.2 Orphans and Vulnerable Children: From Vulnerability to Sustainability**

Habitat for Humanity AME, in partnership with institutional donors, other non-governmental organisations and community-based organisations is engaged in meeting the growing needs of children orphaned and made vulnerable because of HIV/AIDS pandemic. This project has been rolled out across South Africa, Mozambique, Zambia, Lesotho and Uganda and adapted by local affiliates accordingly. The focus of the programme is to construct a safe, healthy and supportive environment for orphans, vulnerable children and their caregivers. This innovative programme reaches out to a particularly vulnerable group by using housing as a vehicle to address a range of issues, integrating security of shelter,

care and sustainable livelihood in a holistic fashion. Around 25 million people in Africa live with HIV and AIDS, representing 70% of the global total. To date, it has been estimated that the disease has left over 12 million children orphaned in Sub-Saharan Africa alone. Most of these orphans are now heading family units, are often forced from their family homes and try to survive as street children. Habitat for Humanity's Orphans and Vulnerable Children (OVC) programme helps to provide shelter for OVC, safeguard it, and strengthen community-centred systems of prevention, care and support.

Within this initiative an Inheritance and Succession Planning Programme (section 3.4.1) attempts to deal with the threat of losing shelter when parents die, ensuring children's legal rights and housing security. For these families renting a house is not an alternative for OVCs due to the risk they share of loss of income through illness and death. The programme provides assistance through teams of specially trained paralegals in writing and notarising inheritance plans. In addition a broader legal literacy programme by outreach workers within affected communities seeks to raise awareness of the needs and rights of OVC and their caregivers. In Lesotho Habitat for Humanity has formed strategic partnership with the Federation of Women Lawyers Lesotho (FIDA) to train para-legals, help protect the rights of women and orphaned children, and actively lobby for the reform of prevailing legal and institutional frameworks.

Within this programme Habitat for Humanity recognises that orphans can benefit greatly from the care, personal attention and social connections that they can receive in family or community care. The organisation has helped mobilise community resources to establish local foster care committees that oversee and support the foster care of OVC in Habitat-built foster houses. For orphan-headed households shelter has been provided in specially designated clusters to facilitate mutual help, safety and assistance from church-based

community volunteers. Finally, caregivers have been provided with assistance in renovating and repairing their homes, and the means to add rooms in an incremental fashion as the number of children under their care grows (known as 'Incremental Build').

The programme has been designed to empower the families and communities affected by HIV/AIDS to develop sustainable ways of coping with the insecurities they face. This necessitates tailoring how caregivers and orphans partner with Habitat for Humanity according to ability. Consequently arrangements can range from 'typical' HFH loans and mortgages to subsidised arrangements in which families contribute only land and 'sweat equity'. A strategic partnership with Opportunity International (OI), a Christian microfinance organisation, has enabled Habitat also to introduce affordable forms of insurance to underwrite the risk of loan default through illness or death of the head of household. Other measures to ensure the sustainability of this initiative include a range of strategies to secure the livelihoods of caregivers and orphans such as incorporation of food gardens within OVC builds, microfinanced small loans (in partnership with OI) for caregivers to start up home-based businesses (supporting care responsibilities with the need to generate income) and a youth apprenticeship programme to mentor orphaned youth in the construction trade. Strategic partnerships, such as that forged with OI, have enabled Habitat for Humanity to secure means of livelihood through the provision of decent, affordable shelter, thereby underwriting the sustainability of the whole programme and its legacy. This casts Habitat for Humanity in a strategic role as catalyst for change, working with donors, government agencies, other NGOs and community-based organisations (CBOs), to provide much more than a house, empowering households and communities to tackle the primary causes of poverty and transform local and national systems of governance.

### **3.4.3 Egypt: Alignment of Stakeholders and Community Development**

A recent project in Upper Egypt focused on working in partnership with families and community stakeholders to up-grade in-situ unhealthy, insecure and inhumane houses with safe, sanitary and dignified homes for unified and improved communities. The beneficiaries were estimated to be 1800 low-income families living in substandard houses. HFH in Egypt assumed a key role in aligning donors with local stakeholders to initiate a major initiative that went beyond simply the building of safe and affordable houses to focus on the comprehensive development of the communities as a whole. Here the attempt was to constructively engage with local governments, community organisations and local businesses in a joint effort to comprehensively improve their standards of living. The programme not only directly benefited 1,800 families who partnered with Habitat for Humanity through microfinance home improvement loans, but also the entire community who benefited from improved basic services. Crowded homes were enlarged, enabling Habitat homeowners to separate dwelling space from the housing of animals. The demonstration effect of the improvement of these homes and up-grading of the communities' water supplies, sanitation infrastructure, street lighting and pavements encouraged both non-Habitat homeowners, partner organisations and city authorities to roll out this initiative into a broader programme of comprehensive community development. In this way HFH Egypt played a key role as catalyst for change through demonstrating what can be achieved and how. In the process the project helped reduce environmental threats that lead to child mortality, empowered female heads of households through improved living conditions and participation in local decision-making processes. It also helped to engage with local businesses in the construction projects, thereby stimulating an otherwise depressed local economy.

The main partners in this project were the Coptic Evangelical Organisation for Social Services (CEOSS), the Evangelical Association for Sustainable Development (EASD), the local city authorities and local businesses. Habitat for Humanity performed a strategic role in aligning the project with: UN–Habitat initiatives in participatory and integrated slum upgrading activities in Egypt; priority afforded by the EU’s Social Fund for Development (II) to poverty alleviation, job creation and provision of social and physical infrastructure; and USAID’s programme for city governance by building capacity. In this way Habitat for Humanity Egypt and its local partners successfully aligned local stakeholders with the funding priorities of major international donors to produce a ‘demonstration effect’ that has created opportunity for other impoverished communities.

#### **3.4.4 Madagascar: Leveraging Local Knowledge with HFH’s Resources**

Habitat for Humanity Madagascar’s (HFHM) *Integrated Urban Housing Project* aimed to provide culturally appropriate, safe, decent, affordable and durable homes for 400 slum dwelling families, along with clean water and sanitation, in the cities of Toliara and Fianarantsoa. Building upon work UN HABITAT had recently completed in securing land tenure for slum dwellers within the communities, HFHM reacted quickly and positively to the situation, enabling families to invest in permanent structures on their own property. As with other HFH projects, HFHM financed the construction through a non-profit revolving fund to ensure sustainability of the project. Successful recovery of mortgage payments from Habitat homeowners was used to help finance an additional 40 homes per year after the completion of the initial stage. The project’s success can be assessed not only in the provision of a range of physical benefits such as the construction or rehabilitation of homes and the development of infrastructure for sanitation and delivery of potable water, but also in livelihood benefits, institutional benefits and indeed regulatory benefits for slum dwellers.

In making this project work, HFHM mobilised key stakeholders with the intention of building a lasting collaborative local network of community-based organisations (CBOs), other non-governmental organisations (NGOs), local and regional government and the private sector. Where planning or building codes unnecessarily impeded access to decent shelter, HFHM worked with the stakeholders towards amending planning and building standards so that they were more appropriate given prevailing levels of household income, household needs and local materials and skills. In this way they assisted in strengthening urban management capacities, while better integrating the housing developments into broader planning processes and structures.

The project was designed to engage with the indigenous systems of mutual-help that members of the communities used to meet major or emergency needs. Such strategies are an important means of managing the constraints and vulnerabilities slum dwellers face, reflecting an understanding that 'mutual-help is self-help'. This broader principle is core to all HFH projects. In Madagascar the system of mutual help is known as *Fihavanana*. '*Valin-tanana*' and '*Atero ka Alao*' are two significant components of this. Under '*Valin-tanana*' members of the community come together to ease each other's burden for large jobs (e.g. 'first we'll turn your rice field; then we'll turn mine'). '*Atero ka Alao*' is similar, though operates at the level of individual relationships, wherein gifts of help are more precisely accounted for by payments in kind. HFHM leveraged these local systems of mutual support, mobilising the beneficiaries of the housing program through partner CBOs to participate in '*Valin-tanana*' for tasks such as clearing land, stacking bricks for firing, digging foundation trenches and carrying materials to construction sites. '*Atero ka Alao*' enabled a family to contribute materials or labour to other families' homes as either a down-payment or reimbursement for their own home. By engaging with local systems of mutual support, HFHM leveraged its experience and resources in such a way

to better ensure the project was culturally appropriate and, therefore, sustainable.

This project also leveraged local knowledge in building materials, construction techniques and vernacular architecture to ensure the affordability of homes and to support opportunities for generating livelihood within the local area. House designs were required to incorporate local materials and construction techniques. These guidelines were devised to help ensure the affordability, integrity and simplicity of design, yet afford families the flexibility to build according to their needs, aspirations and capacities. The choice of materials necessarily involved a trade-off between affordability, durability and maintenance requirements. In specifying the use of locally produced materials to the extent practical, the guidelines helped reduce the use of some imported materials (e.g. cement) and eliminated the use of others (e.g. iron roofing sheets). At the same time, this approach helped foster local enterprise and maximise the involvement of local trades, such as thatchers, masons, bricklayers, etc., thereby ensuring sustainable livelihoods and incomes. This created a multiplier effect, helping regenerate the local economy through added and assured wages and employment.

As this illustrates, Habitat for Humanity is not only a 'house provider', but also a 'community builder', enabling the poor to help one another through the mobilisation of untapped, underdeveloped resources. Partnerships forged from the neighbourhood to macro levels strengthened urban management capacities, facilitating the integration of community-based housing activities within city and regional planning initiatives, and providing impoverished communities with greater access to basic infrastructure, public transport, social services, and employment opportunities. This needs greater acknowledgement. Often the way Habitat for Humanity presents its projects stresses the details of project delivery at the expense of its wider significance for development

prospects and poverty alleviation. Such projects should be celebrated for the ways they demonstrate the wider practical impact of Habitat for Humanity's core values.

#### **3.4.5 Lebanon: Scaling up Through 'Quick Win' Initiatives**

The 'Transitional Shelter' project undertaken in Southern Lebanon by Habitat for Humanity was conceived as an emergency response in the wake of the military engagements in the area in July 2006. Over the space of eight months Habitat for Humanity Lebanon (HFHL) helped 2,611 internationally displaced people return to their homes utilising a homeowner driven repair process. This was coupled with vocational training to offset the loss of livelihoods in the region and the sourcing of materials and expertise from local businesses to help stimulate local economic activity. The objective was to secure 'quick wins' in meeting pressing need, yet leave a lasting legacy through the promotion of good governance and alternative livelihood strategies.

In designing the project, HFHL sought to integrate the traditional Lebanese concept of '*aouni*' volunteerism (community cooperation) as a means of augmenting the use of Habitat for Humanity's resources and also bridging sectarian/religious divides. In coordination with HFHL's local partner, local leadership committees were formed in each village, comprised of local religious and political leaders. These committees delivered local insight and credibility to the programme. They were trained and tasked with disbursing monies according to transparent technical and social criteria established by HFHL. The publicising of the technical and social criteria within the community in effect held the local leadership committee to account, thereby helping to promote dialogue, good governance and the sustainability of the initiative.



Habitat Resource Centres (HRCs) were established to provide technical assistance and training for families to repair their homes, mobilise volunteers to assist with reconstruction and provide financial assistance (e.g. vouchers) to enable qualified families purchase locally available materials and skilled labour. The HRC model was adapted from a successful initiative HFH pioneered in response to the tsunami in Southeast Asia. This is a highly adaptable, responsive system that allows a wide range of services to be offered to affected populations during the early recovery phase, while incorporating the principles of assisted self-help and community mobilisation.

The HRC programme in Lebanon was designed both to meet basic shelter needs in the short term and to stimulate local economic activity by drawing upon the skills of the informal construction sector (thereby helping set the stage for further reconstruction and recovery). HFH engineers trained homeowners on the appropriate prices for repairs, indicators for the quality of work being completed and appropriate structure of contracts. The use of local contractors generated a desperately needed injection of capital at the local level, helping stimulate and in many cases reinvent the economies of villages. In addition to this homeowner managed repair process, a local partner (YMCA Lebanon) delivered a training programme to equip families who had lost access to farm lands as a result of the conflict with new livelihood strategies. The training sought to meet shortages within the region in the skills necessary for electrical and water network installation in bomb-damaged homes. By addressing livelihood strategies within this project, thousands of job opportunities were created for unemployed returning internationally displaced people (a 'quick win'). In addition, the delegation of responsibility to manage reconstruction to local leadership committees and individual homeowners not only expedited the delivery of aid for house reconstruction (another 'quick win'), but also helped to promote the development of more robust, transparent systems of local governance.

#### **4 Conclusion: Future considerations, policy and recommendations**

Habitat for Humanity's model is based on a participatory approach to development, empowering both direct beneficiaries and the wider community to tackle the insecurities they face, unlocking latent skills and enterprise, and building sustainable livelihood capabilities. It plays an important role as a catalyst for change, delivering through the vehicle of housing the means to address the primary causes of poverty itself. Its contribution to wider development priorities deserves better recognition. In calibrating the success of HFH projects in terms of units completed or renovated alone, the significance of the process by which HFH realises these outcomes is often not sufficiently acknowledged, both within the organisation and externally. As the case studies illustrate, the methodologies Habitat for Humanity employs to address the issue of poverty housing within the developing world place the organisation at the centre of a global strategic agenda to address the root causes of poverty through community empowerment and the transformation of structures of governance.

The HFHI global network of affiliates constitutes a unique organisational framework to facilitate sharing resources, ideas and practical experience across the diverse range of cultural, political and institutional environments within which the organisation operates. From our analysis of the case study material provided, it is apparent that organisationally more could be done to facilitate the pooling of experience from across its affiliates. There is much to be gained organisationally from building a virtual library of case studies detailing both successful and less successful practices. Drilling down into this case study material would help the organisation as a whole understand better what has worked well and not so well in particular regions and why. It would assist greatly in learning from

projects, sharing innovative practices, identifying strategic partnerships with donors, other NGOs and CBOs, and informing wider international initiatives on poverty alleviation and the promotion of good governance.

Given the scale of need for decent affordable shelter identified at the beginning of this report and the nature of contemporary processes of economic and social change, there are a number of issues that Habitat for Humanity International increasingly will be called upon to help address, namely:

- What are the perceived problems of tenurial security faced by the poor in the developing world in the wake of rapid globalisation and urban development? How do changes implemented in the legal framing and management of urban land use accommodate the interests of global capital?
- What is government policy towards the rights of squatters and slum dwellers? Since land titles are not given freely to the poor, increasingly they are being encouraged to move to new re-settlement sites, a long distance from their place of work. For municipal authorities slum development has now become more of a resettlement issue rather than the provision of services *in situ*. This applies to both authorised and unauthorised slums. Relocation often leads to loss of livelihood.
- Different types of settlements have different tenurial status. If there is a restrictive tenurial arrangement then there is a problem in clash of institutions leading to conflict between private developers and public landholders. This calls for a better appreciation of both existing informal and formal tenurial arrangements and appropriate strategies to ensure security of tenure.

- There is a need to be better informed about: households' production and use of housing finance; the nature of local land markets; the role of rental housing and structure of provision; the capacity of the poor to save and the roles savings play in securing shelter and livelihood; and the nature of residential mobility. HFH is well placed to help develop a greater understanding of the complex relationship between housing, finance and livelihood strategies.
- What can Habitat for Humanity learn from current innovative practices that offer scope for up-scaling the organisation's role as a catalyst for change? This requires understanding the ways in which different affiliates have translated the organisation's principles into practical interventions that work with local constraints yet ensure that shelter needs are adequately addressed. This may necessitate greater emphasis being placed upon incremental house improvement schemes, progressive builds and the utilisation of resource centres. Alternatively, in particular contexts, more might be gained by thinking beyond traditional models of home-ownership. For example, in India much has been gained through understanding the role of housing cooperatives in fulfilling the objectives of low-income households. Here, the development of an institutional structure that supports cooperatives lowers the transaction costs of their formation and functioning, which is to the benefit of low-income households. Thus joining housing cooperatives would reduce transaction costs, enabling more to be reached through the leveraging of Habitat for Humanity's experience, expertise and resources.

In conclusion one may state that Habitat for Humanity has taken pioneering steps to engage in transformative projects across diverse regions of the world in order to benefit

the poor. The adoption and adaptation of innovative housing and financial technologies have proven successful on the ground. The sustainability of Habitat for Humanity will essentially depend on how the risk of high costs of home ownership is dealt with (due to rising inflation, the cost of housing materials and threats to livelihood through disease and economic change) and which does not compromise the ethical principles of affordability for the risk-averse poor. Clear targeting of needy household, based on a realistic assessment of savings, loan default, and escalating cost of administering loans at the household level, will further the cause of Habitat. Deepening community participation will further foster social capital. Finally, adding creative solutions based on microfinance options among the poor and working in partnership with like-minded agencies will go a long way in sustaining the mission of Habitat for Humanity. Housing therefore remains a critical element for *enhancing livelihood strategies* and thereby leading to the *alleviation of poverty* rather than the other way around.

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