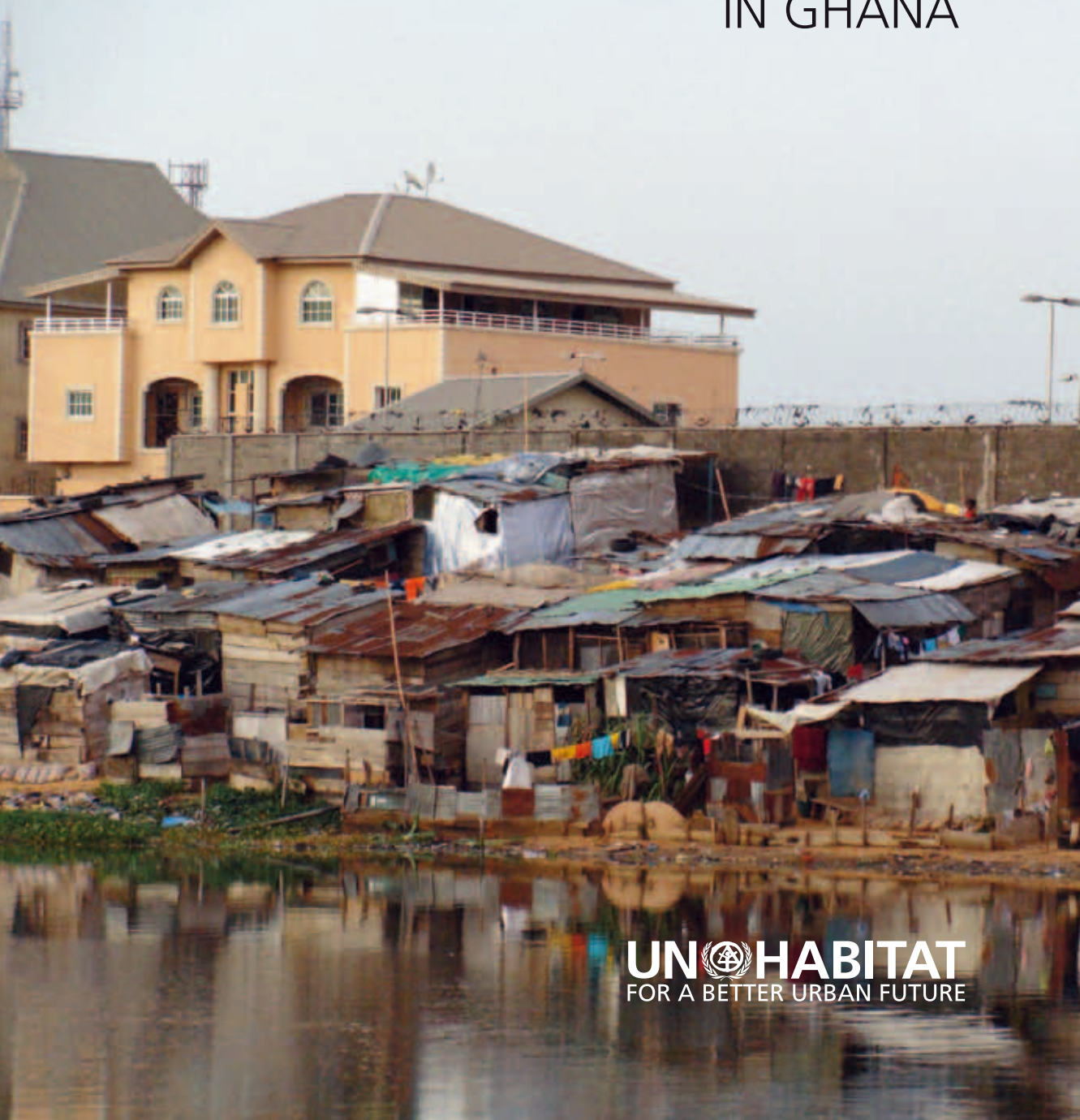


HOUSING

AS A STRATEGY FOR POVERTY REDUCTION IN GHANA



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AS A **STRATEGY** FOR
POVERTY REDUCTION
IN GHANA

Nairobi, 2010

UN  HABITAT

The Global Urban Economic Dialogue Series

Housing as a Strategy for Poverty Reduction in Ghana

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United Nations Human Settlements Programme (UN-HABITAT)

P. O. Box 30030, 00100 Nairobi GPO KENYA

Tel: 254-020-7623120 (Central Office)

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|-------------------------------|--|
| Director: | Oyebanji Oyeyinka |
| Principal Editor and Manager: | Xing Quan Zhang |
| Principal Author: | Kwasi Kwafo Adarkwa |
| English Editor: | Roman Rollnick |
| Design and Layout: | Andrew Ondoo and Jinita Shah |
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FOREWORD



Urbanization is one of the most powerful, irreversible forces in the world. It is estimated that 93 percent of the future urban population growth will occur in the cities of Asia and Africa, and to a lesser extent, Latin America and the Caribbean.

We live in a new urban era with most of humanity now living in towns and cities.

Global poverty is moving into cities, mostly in developing countries, in a process we call the urbanisation of poverty.

The world's slums are growing and growing as are the global urban populations. Indeed, this is one of the greatest challenges we face in the new millennium.

The persistent problems of poverty and slums are in large part due to weak urban economies. Urban economic development is fundamental to UN-HABITAT's mandate. Cities act as engines of national economic development. Strong urban economies are essential for poverty reduction and the provision of adequate housing, infrastructure, education, health, safety, and basic services.

The Global Urban Economic Dialogue series presented here is a platform for all sectors of the society to address urban economic development and particularly its contribution to addressing housing issues. This work carries many new ideas, solutions and innovative best practices from some of the world's

leading urban thinkers and practitioners from international organisations, national governments, local authorities, the private sector, and civil society.

This series also gives us an interesting insight and deeper understanding of the wide range of urban economic development and human settlements development issues. It will serve UN member States well in their quest for better policies and strategies to address increasing global challenges in these areas

A handwritten signature in black ink, which appears to read 'Anna Tibaijuka'.

Anna Tibaijuka,
Executive Director, UN-HABITAT
Under-Secretary-General of
the United Nations,

EXECUTIVE SUMMARY

The need to provide adequate, suitable and equitable housing has remained a major priority of every government. Even though housing is a basic necessity of life, more than half of the population in Ghana live in poor houses where they have no access to adequate sanitary facilities, water and warmth to meet their daily physical needs. Adequate housing is one of the effective means to alleviate poverty because shelter is usually the most expensive item for households. It is also a pre-requisite for better health, providing a great amount of saving when one is not sick.

The purpose of the study is, therefore, to assess the role of housing as a poverty reduction strategy in Ghana with references to selected communities. Specifically, the study seeks to establish the contribution of improved housing conditions in the poverty reduction efforts of the Ghana Government. Data for control and experimental groups were analyzed in order to establish the possible contribution of housing to poverty reduction. The control groups constitute households that have not received any improvement in their housing and living environment while the experimental groups constitute households that have benefited from improved interventions using 'Habitat for Humanity' communities as case studies. The difference between various indices and indicators for the control and experimental communities were used to make inferences about the possible role of housing in poverty reduction.

Poverty is defined as a multi-dimensional issue, characterized by the lack of, or limited income and is commonly associated with multiple forms of deprivation and consequences

caused by inability to purchase basic goods and necessities. Poverty occurs mainly at the individual or household level but, the most visible evidence of poverty arises when poor families and individuals cluster in an area. These areas which are challenged economically and disproportionately bear the social and economic burden of unemployment, crime, deteriorated housing, and poor health. In Ghana, households and communities may be characterised as poor based on income levels, housing conditions, malnutrition, ill health, illiteracy, lack of access to safe water and sanitation facilities as well as general insecurity.

Since Ghana's independence, several initiatives have been pursued by successive governments to improve the housing condition of the poor, especially in the rural communities. This stems from the fact that, experience in other countries demonstrates that housing can be an important element that contributes to poverty and can also be used as a tool to alleviate poverty.

Evidence from the field suggests that, households living in improved houses in the 'Habitat' communities are better off, in terms of access to social services such as water, sanitation and some other housing indicators than those in the old and run-down housing environment.

From the discussion of the related literature and field data, the following findings emerged:

- i. There is a strong correlation between improved housing and poverty reduction. This is because adequate housing is one of

the effective means to reduce poverty and is usually the most expensive item in the households' expenditure basket;

- ii. Improved investments in the housing environment can result in improved wellbeing, especially in households' access to basic social services such as water and sanitation. Improved access to toilet and sanitation would lead to improvements in the health, hygiene, livelihoods, psychological wellbeing and social interaction of household members;
- iii. Even though poverty occurs at an individual or household level, the most visible evidence of poverty arises when poor families and individuals cluster in an area; and
- iv. Developing the supply of subsidized housing and quality accommodation is a priority for poverty reduction after access to employment and social integration. This is captured by the Ghana National Housing Policy document of 2006.

These findings imply a fairly strong correlation between improved housing conditions and poverty reduction; suggesting that housing can be used as a poverty reduction strategy. In spite of its tremendous potential for poverty reduction, housing does not appear to have been mainstreamed into most poverty reduction programmes in Ghana and elsewhere; particularly in the developing world. In the same vein, most of the poverty reduction programmes reviewed in respect of Ghana do not appear to have paid enough attention to housing. This therefore calls for conscious efforts by governments to mainstream housing into their poverty reduction policies.

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CHAPTER 1

INTRODUCTION

The need to provide adequate, suitable and equitable housing has remained a major priority of every government. Yet, since the problem of housing is complex and pressing, no nation has been able to provide adequate housing of acceptable standard for all its citizens. Also, it is worth noting that the minimum housing standard differs from one country to another, depending on geographic and economic conditions. The United Nations, recognizing the severity of the housing problem, declared 1987 as the International Year of Shelter for the homeless (Ghana Statistical Service - GSS, 2005). This is in recognition of the fact that there are no signs that the housing problem for the world's population will be solved soon.

Even though housing is a basic necessity of life, more than half of the population in Ghana live in poor houses (Government of Ghana, 2005) where they have no access to adequate sanitary facilities, water and warmth to meet their daily physical needs. The lack of adequate housing has lowered the life expectancy of the homeless (FEANTA, 2007), exposed them to serious health risks and gravely affected their contribution to society. In Ghana, the housing situation is inadequate, though improving. Many households, particularly those in the cities and other urban areas, continue to live in overcrowded and unsanitary conditions

(UN-HABITAT, 2008; Banahene, 1979). Their houses lack basic amenities such as toilets, kitchen, bathroom, and refuse facilities. UN-HABITAT (2008) has observed that the shortage of houses, especially in the urban areas, has given rise to very high occupancy rates, exorbitant rents, unstable tenancies and poor living conditions. These factors, combined with issues of land litigation, high cost of urban residential land, multiple sale of urban land, high cost of building materials, and shortage of infrastructure and services, underline the difficulties of housing delivery in Ghana.

Adequate housing is one of the effective means to alleviate poverty because shelter is usually the most expensive item for households. It is also a pre-requisite for better health, providing a great amount of saving when one is not sick. It is argued further that housing is a source of income because people can use their houses to generate income, either through home-based businesses or through renting, especially if it is located in a safe suburb of the city. According to the European Federation of National Organizations Working with the Homeless, FEANTSA (2007), higher levels of housing exclusion would lead to more housing segregation. Vulnerable people often have no options but to live in areas where there is already an over-representation of poor

people. Sadly, such a concentration of poverty often leads to deterioration and unsustainable neighbourhoods. The policy responses to housing segregation are often simplistic and not necessarily beneficial to the worst off.

The increasing numbers of people living in poverty, especially those experiencing extreme forms of poverty, such as the homelessness, has made it difficult for the poor to access the diminishing stock of social housing. Their only option is to access substandard private rentals which puts a toll on their finances.

Housing tenure refers to the financial arrangements under which someone has the right to live in a house or apartment. The most frequent forms are tenancy, in which the rent is paid to the landlord, and owner occupancy. Mixed forms of tenure are also possible. The basic forms of tenure could be subdivided as follows:

- An owner occupier - also called home owner who lives in a house that he or she owns outright or under mortgage; and

- Rental - housing tenure where the person who lives in the house is a tenant paying rent to the landlord who owns the property;

According to the Ghana National Shelter Draft Policy Document, housing tenure in the country ranges from home ownership to weekly tenancies. More than half (57.4%) of the national housing stock is owner-occupied. Rental units represent 22.1% of the stock while rent-free and “perching” constitute 19.5% and 1.0% respectively. According to the Draft Policy Document, quite a number of the houses in which people live in are rent-free. These are what the Akans call “ebusua fie” (family home) usually for the extended family long after the original owners have died. A large number of extended family members and even some ‘strangers’ live rent-free in these homes.” The tenure situation as identified in the regions in the country is presented in the Table 1. From Table 1, it is very indicative that in all the regions home ownership forms the majority of housing tenure.

TABLE 1 HOUSING OWNERSHIP/OCCUPANCY IN THE REGIONS OF GHANA

| Types Tenure | All Regions | Volta | Greater Accra | Eastern | Central | Upper East |
|--------------|-------------|-------|---------------|---------|---------|------------|
| Owning | 57.4 | 64.1 | 40.5 | 58.2 | 58.3 | 86.7 |
| Renting | 22.1 | 16.1 | 37.5 | 20.9 | 17.2 | 9.5 |
| Rent-Free | 19.5 | 18.7 | 20.5 | 20.2 | 23.5 | 3.4 |
| Perching | 1.0 | 1.1 | 1.5 | 0.7 | 0.9 | 0.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: 2000 Population & Housing Census

TABLE 1 CONTINUED: HOUSING OWNERSHIP/OCCUPANCY IN THE REGIONS OF GHANA

| Types Tenure | All Regions | Upper West | Brong Ahafo | Ashanti | Western | Northern |
|--------------|-------------|------------|-------------|---------|---------|----------|
| Owning | 57.4 | 80.7 | 61.7 | 47.6 | 57.2 | 85.4 |
| Renting | 22.1 | 13.3 | 15.9 | 26.2 | 22.0 | 8.7 |
| Rent-Free | 19.5 | 5.4 | 21.6 | 25.1 | 19.8 | 5.4 |
| Perching | 1.0 | 0.6 | 0.9 | 1.1 | 1.0 | 0.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: 2000 Population & Housing Census

In light of the seriousness of the problem, the purpose of the study is therefore to assess the role of housing as a poverty reduction strategy in Ghana using selected communities as case studies. Specifically, the study seeks to establish the contribution of improved housing conditions to the poverty reduction efforts of the Ghana Government.

Within each locality, significant differences are observed in the various tenureship types. In Accra 38.2 per cent of households owned their houses, 40.7 per cent were renting their houses, and 21.1 per cent were living in the houses without paying any rent (see Table 1b). Within the other urban areas, a higher proportion (42.3 per cent) owned the houses, 34.5 per cent were renting and 23.2 per cent were not paying for their houses. In contrast, about 72 per cent of households in rural areas owned their houses, 9.9 per cent were renting and 18.4 per cent were not paying rent. It is estimated that the population of the urban areas will be twice that of the rural areas in 2020. As such increased rental housing unit are expected relative to the other types.

The paper is organized into nine sections. Section one presents the introduction of the paper, which includes discussion on the need

for adequate, suitable and affordable housing and poverty reduction. Section two discusses the approach and methodology used in the study. In addition, it outlines the indicators used to infer the relationships between housing and poverty in Ghana.

Section three presents the discussion on space-related poverty, dimensions and characteristics of poverty in Ghana while section four contains the discussion of literature on housing poverty and housing-related poverty. Section five discusses the housing situation and the poor in Ghana. Specifically, it establishes how the absence of decent housing has made certain segments of the Ghanaian population poor. The relationship between housing and poverty reduction shall be presented in section six and section seven presents instances or cases where housing programmes have focused on reducing poverty.

Section eight presents findings and discussions of data from the field surveys in the four study communities while section nine presents lessons on how housing can be used as a strategy for poverty reduction as well as the conclusion of the paper.

TABLE 1B HOUSING UNIT BY TENURESHIP TYPE AND LOCALITY OF RESIDENCE

| Tenure | Accra | Other Urban | All Urban | Rural | Ghana |
|-----------|-------|-------------|-----------|-------|-------|
| Owning | 38.2 | 42.3 | 41.4 | 71.7 | 57.4 |
| Renting | 40.7 | 34.5 | 35.8 | 9.9 | 22.1 |
| Rent-Free | 19.9 | 22 | 21.6 | 17.6 | 19.5 |
| Perching | 1.2 | 1.2 | 1.2 | 0.8 | 0.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Ghana Statistical Service (2002) 2000 population & Housing Census

CHAPTER 2

METHODOLOGY

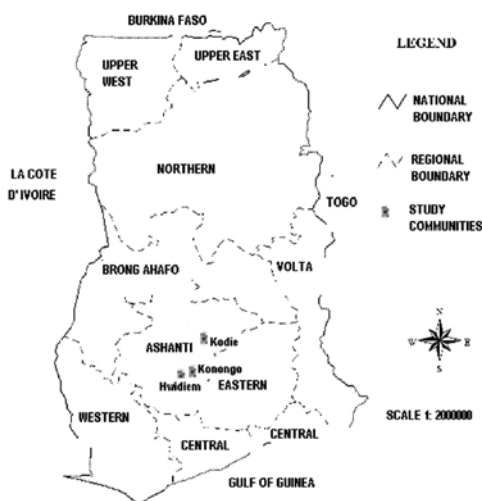
Although housing is one of the most basic human needs, many low income developing countries are troubled by their high rate of urbanisation. According to UN-HABITAT (2008), high rates of urbanization and increasing per capita income have fueled urban housing prices, a trend that has most acutely affected low and lower-middle income households. Poverty reduction and the creation of economic opportunity are key goals for Africa. However, tackling poverty requires not only significant increases in GDP per capita, but also reduction of inequality and investment in social development to enhance the capabilities of the poor and other vulnerable groups.

To gain a better understanding of the effect of improvements in housing conditions on poverty reduction, field data collection and community interfaces were organized, with the case study approach being used extensively. Data for control and experimental groups were analysed in order to establish the possible contribution of housing to the poverty reduction. The control groups constitute households that have not received any improvement in their housing and living environment while the experimental groups constitute households that have benefited from improved interventions using Habitat communities as case studies. This offered the research team the opportunity to explore all relevant indicators in the control and

experimental communities in order to establish the possible contribution of improved housing on poverty reduction.

The difference between various indices and indicators for the control and experimental communities were used to make inferences about the possible role of housing in poverty reduction efforts of households. The study covers two urban and two rural communities in the Asante Akim North Municipality and

FIGURE 1: MAP OF GHANA SHOWING THE TEN ADMINISTRATIVE REGIONS AND THE LOCATION OF STUDY COMMUNITIES



Afigye Sekyere Districts respectively, of the Ashanti Region in Ghana.

All in all, a total of 75 interviews were conducted between April and May 2009 to gather poverty related indicators in these communities. This sample is representative enough because of the selection method. The selection of respondents was done using the systematic sampling method. This method allows the researcher to choose respondents using a uniform interval after the first element has been selected randomly. It is expected to provide sufficient bases for making generalizations about housing and poverty reduction in Ghana. In addition, the combination of rural and urban coverage provides a useful interface of all the spectrum of the conditions in housing provision and poverty reduction in Ghana. The number of communities and households visited are presented in Table 2.

In addition to reviewing secondary data, primary field surveys were carried out in the four communities. Data gathered covered housing characteristics such as type of dwelling unit, number of rooms, number of habitable rooms and number of people occupying a room. Data on access to socioeconomic facilities, such as types of water sources used, distance to these water sources, reliability of the water source, cost of accessing water, availability and condition of toilet facility (level of hygiene), distance to toilet facility, cost of using the toilet facility and method of waste disposal, among others were also collected. Furthermore, data on household income and expenditure were also gathered as part of the data collection exercise. These data were gathered using structured questionnaires administered in these four communities by four research assistants.

TABLE 2 URBAN AND RURAL COMMUNITIES VISITED

| Classification | Control | | Experimental | |
|----------------|-------------------|-----------------------|-------------------|-----------------------|
| | Name of Community | Number of Respondents | Name of Community | Number of Respondents |
| Urban | Hwidiem | 20 | Konongo Habitat | 15 |
| Rural | Kodie | 20 | Kodie Habitat | 20 |
| Total | | 40 | | 25 |

Source: Kwasi Adarkwa, 2009

TABLE 3: LIST OF INDICATORS USED FOR ANALYSIS

| POVERTY DIMENSION | INDICATORS |
|-----------------------------------|---|
| Income or consumption poverty | i. Average household expenditure; and ii. Average household income. |
| Lack of access to basic services | i. Type of water source; ii. Average distance to water source; iii. Reliability of water source; iv. Average cost of water; v. Availability of toilet facility in the house; vi. Condition of toilet facility (level of hygiene); vii. Method of solid waste disposal; viii. Availability of bathroom in the house; ix. Condition of the bathroom; and x. Availability of kitchen facility for cooking |
| Deprivations in human development | i. Average number of rooms; ii. Average number of habitable rooms; and xi. Average number of people occupying a room. |

Source: Kwasi Adarkwa, 2009

The selection of these indicators was therefore informed by the various studies conducted by the Ghana Statistical Services on poverty and living standards of Ghanaians. UNESCAP (2000) outlines three important dimensions of poverty namely poverty of money, poverty of access, and poverty of power. They argue that, poverty of money is a case where the urban poor lack sufficient resources to afford the minimum acceptable quality of shelter and other services. From an income perspective, there are two basic types of poverty: absolute poverty and relative poverty. Absolute poverty is defined as the cost of the minimum necessities needed to sustain human life. Globally, this minimum is estimated at US\$ 1 a day while relative poverty is defined as the minimum economic, social, political and economic goods needed to maintain an acceptable way of life in a particular society (UNESCAP, 2000).

In Ghana, the percentage of the population below the poverty dropped from 51.7 in 1991/1992 to about 28.5 in 2005/2006 (NDPC, 2008). Table 4 gives the various Ghana Living Standard Surveys (GLSS 3, 4 and 5) indicators about the trends in income poverty over the last 15 years. From the Table

4, it can be seen that, urban proportion of the poor in Ghana has been experiencing a steady increase. The incidence of poverty in Ghana remains much higher in the rural areas than in the urban areas. However, the trends in rural versus urban poverty incidence over the years showed a narrowing of the gap. The gap between the rural and urban poverty incidence reduced from about 36 percentage points in 1991/1992 to about 28 percentage points in 2005/2006 as can be seen in Table 4.

Poverty of access refers to the inability of the poor to access basic infrastructure and services. The poor in most urban settings live in overcrowded and unsanitary slums and squatter settlements. They lack good health facilities, housing and services. The poor at the same time lack tenure security and are vulnerable to insecurity, diseases and natural and man-made disasters. Because of their vulnerability and inability to influence decision in their settings, the poor also suffer from “poverty of power”. More often than not, the poor lack information to advance their case (UNESCAP, 2000). Tables 5, 6 and 7 present data on the proportion of households having access to toilet facilities, bathroom and cooking space in Ghana respectively.

TABLE 5 ACCESS TO TOILET FACILITY

| Type of facilities | Accra | Other Urban | All Urban | Rural | Ghana |
|---------------------------|-------|-------------|-----------|-------|-------|
| WC | 23.2 | 14.3 | 16.2 | 1.6 | 8.5 |
| Pit Laterine | 6.1 | 13.7 | 12.1 | 30.9 | 22 |
| KVIP | 11.7 | 9 | 9.6 | 4.5 | 6.9 |
| Bucket/Pan | 12.7 | 5.3 | 6.9 | 1.5 | 4 |
| Facility in another House | 9.3 | 6.6 | 7.1 | 6.7 | 6.9 |
| Public Toilet | 32.7 | 38.4 | 37.2 | 26.3 | 31.4 |
| No Facility | 4.1 | 12.5 | 10.7 | 28.3 | 20 |
| Other | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: Ghana Statistical Service 2005

TABLE 6 HOUSEHOLDS ACCESS TO BATHROOM FACILITIES BY TYPE AND LOCALITY OF RESIDENCE

| Bathroom Facility | Accra | Other Urban | All Urban | Rural | Ghana |
|---------------------------|-------|-------------|-----------|-------|-------|
| Own bathroom, exclusive | 25.4 | 22.8 | 23.4 | 23.6 | 23.5 |
| Shared bathroom | 28.8 | 40.5 | 38 | 26.7 | 32 |
| Open cubicle, exclusive | 3.7 | 6.1 | 5.6 | 14.1 | 10.1 |
| Shared open cubicle | 30.4 | 17.6 | 20.3 | 15.9 | 18 |
| Public bath house | 5.1 | 2.7 | 3.2 | 1 | 2.1 |
| Bathroom in another house | 1.5 | 2.9 | 2.6 | 5.8 | 4.3 |
| Open space | 3.4 | 6 | 5.4 | 11.4 | 8.6 |
| River | 0.7 | 0.4 | 0.5 | 0.7 | 0.6 |
| Lake/pond | 0.5 | 0.3 | 0.3 | 0.2 | 0.3 |
| Other | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 |

Source: Ghana Statistical Service 2005

TABLE 7 ACCESS TO COOKING SPACES BY TYPE AND REGION

| Cooking Space | Western | Accra | Ashanti | Northern | Ghana |
|-------------------------------|---------|-------|---------|----------|-------|
| No cooking space | 7.3 | 8.5 | 6.3 | 4.1 | 6.5 |
| Separate room, exclusive | 41 | 25.6 | 25.6 | 19.1 | 32.2 |
| Separate room, shared | 15.1 | 4.8 | 28.6 | 5.3 | 14.3 |
| Exclusive without roof | 1.4 | 2.4 | 2 | 5.9 | 3.3 |
| Structure with roof, no walls | 4.2 | 3 | 6.4 | 3.9 | 7.3 |
| Bedroom, hall, living room | 2.8 | 3 | 1.4 | 2 | 2.7 |
| Veranda | 11.9 | 21.6 | 13.5 | 5.6 | 11.5 |
| Open space in compound | 9.8 | 30.5 | 14.5 | 53.7 | 21.6 |
| Others | 0.5 | 0.7 | 0.8 | 0.3 | 0.6 |
| Totals | 100 | 100 | 100 | 100 | 100 |

Source: Ghana Statistical Service 2005

From the Tables 5, 6 and 7, it can be seen that, quite a substantial proportion of Ghanaians are poor when it comes to access to social services. Housing poverty on the other hand can be defined as poor housing conditions such as small floor areas, overcrowding, lack of amenities such as water, sanitation and kitchen, among others.

To provide the avenue to explain the rationale underlying the results, the field data were

also subjected to descriptive analyses. Data on the above indicators for the control and experimental communities were tested to see if there was any statistical significance between them, so as to ascertain if improvement in housing conditions could enhance household wellbeing or reduce poverty. Results of the descriptive analysis and the findings from the field are presented in the subsequent sections of this paper.

CHAPTER 3

SPACE–RELATED POVERTY, POVERTY DIMENSIONS AND CHARACTERISTICS IN GHANA

Even though poverty usually occurs at an individual or household level, the most visible evidence of poverty arises when poor families and individuals cluster in an area. Low-cost housing is often associated with older homes in poor condition, a situation which can exacerbate poverty as poor physical conditions manifested by unsafe electrical wiring (illegal connection), poor sanitation and inadequate access to water, among others adversely affect the productivity of household members.

Loewen and LePage (2003) have stated that communities, whether urban neighbourhoods, rural villages, or impoverished segments of local populations that are challenged economically and disproportionately, bear the social and economic burden of unemployment, crime, deteriorated housing, and poor health. This appears to partly explain why there is a fairly high correlation between poor housing neighbourhoods and poverty.

The Ontario Non-Profit Housing Association (ONPHA, 2008) defines poverty as a multi-dimensional issue, characterized by the lack of, or limited income. It is commonly associated with multiple forms of deprivation and consequences caused by inability to purchase basic goods and necessities. As a result of inadequate income and resources, people may be excluded and marginalised from

participating in activities which are considered to be the norm for others in the society.

The Government of Ghana also recognises that poverty is multi-dimensional with complex interactive and causal relationships with several manifestations. Based on this premise, poverty is defined as an unacceptable physiological and social deprivation (National Development Planning Commission, 2003). In view of the several dimensions of poverty, a range of indicators is needed to inform various policies to tackle the causes and mitigate the consequences of poverty. In Ghana, households and communities may be characterised as poor based on income levels, housing conditions, malnutrition, ill health, illiteracy, lack of access to safe water and sanitation facilities as well as general insecurity. Taken together, these conditions would keep households and whole communities in persistent poverty.

The various Ghana Living Standard Surveys (GLSS 3, 4 and 5) give indications about the trends in income poverty over the last 15 years. The poverty headcount index fell by about 12 percent points from nearly 52 percent in the 1991/1992 period to about 40 percent in 1998/1999. By 2005/2006, the incidence of poverty had fallen again to 28.5 percent as can be seen in Table 8. Inequality as measured by the Gini coefficient has however, increased

consistently over the period from about 0.373 in 1991/1992 to 0.394 in 2005/2006, implying that there is a tendency for income

distribution to become more skewed and unequal with time.

TABLE 8 URBAN AND RURAL COMMUNITIES VISITED

| | 1991/92 | 1998/99 | 2005/2006 | Changes between 1991 and 1999 | Changes between 1999 and 2006 |
|---------------------------------|---------|---------|-----------|-------------------------------------|-------------------------------------|
| Gini coefficient | 0.373 | 0.388 | 0.394 | 0.015 | 0.006 |
| Poverty head count index (%) | 51.7 | 39.5 | 28.5 | -12.22 | -11.0 |

Source: Aryeetey and Mackay, (2004); Coulombe and Wodon (2007)

The extent of poverty in Ghana is less when a lower poverty line is used or more when emphasis is placed on the depth of poverty (GSS, 2007). There is therefore a strong suggestion that the poorest of the poor have participated much less in the growth and poverty reduction over the years, a fact which is confirmed by the occupational pattern and access to other socio-economic indices such as improved housing, drinking water and sanitation; among others.

In terms of the regional trends in poverty, the three northern regions of Ghana have the highest incidence of poverty where the Upper East and Upper West Regions had incidence of 70 percent and 88 percent respectively in 2005 and 2006 (GSS, 2007). This is then followed by the Northern Region with an incidence rate of about 52%. Two other regions, Volta and Brong Ahafo, had poverty rates below the national average. All the other regions have poverty rates below the national average with Greater Accra recording the lowest incidence

of about 12% as can be seen in Table 9. All the regions except two, experienced a decline in the incidence of poverty between 1991/1992 and 2005/2006. The three regions that experienced the highest decrease in the incidence of poverty over the 16-year period were the Western (42 percentage points), Brong Ahafo (36 percentage points) and Eastern (33 percentage points). The Upper East and Upper West regions did not experience a decline in the incidence of poverty over this period. For the Upper West the incidence of poverty in 2005/2006 was the same as in 1991/1992, after experiencing a decline 1998/1999. In the case of the Upper East region, even though the 2005/2006 poverty incidence level is about 3 percentage points higher than the 1991/1992 level, it represents a 18 percentage point decrease from the 1998/1999 level. These trends in the incidence of poverty across regions indicate increasing spatial inequality across regions of Ghana with the three Northern Regions remaining the poorest.

TABLE 9 TRENDS IN POVERTY INCIDENCE BY ADMINISTRATIVE REGIONS, 1991-2006

| Regions | Poverty Incidence | | |
|---------------|-------------------|-----------|-----------|
| | 1991-1992 | 1998-1999 | 2005-2006 |
| Western | 60 | 27 | 18 |
| Central | 44 | 48 | 20 |
| Greater Accra | 26 | 5 | 12 |
| Eastern | 48 | 44 | 15 |
| Volta | 57 | 38 | 31 |
| Ashanti | 41 | 28 | 20 |
| Brong Ahafo | 65 | 36 | 29 |
| Northern | 63 | 69 | 52 |
| Upper West | 88 | 84 | 88 |
| Upper East | 67 | 88 | 70 |

Source: National Development Planning Commission (2008)

The incidence of poverty in Ghana remains much higher in the rural areas than in the urban areas. However, the trends in rural versus urban poverty incidence over the years showed a narrowing of the gap. The gap between the rural and urban poverty incidence reduced from about 36 percentage points in 1991/1992 to about 28 percentage points in 2005/2006, as can be seen in Table 10.

TABLE 8 URBAN AND RURAL COMMUNITIES VISITED

| Locality | Population Share | | | Incidence of Poverty | | |
|---------------|------------------|---------|-----------|----------------------|-----------|-----------|
| | 1991/92 | 1998/99 | 2005/2006 | 1991/1992 | 1998/1999 | 2005/2006 |
| Urban | 33.2 | 33.7 | 37.6 | 27.8 | 19.4 | 10.8 |
| Rural | 66.8 | 66.3 | 62.4 | 63.6 | 49.6 | 39.2 |
| Urban Forest* | 11.0 | 11.8 | 14.6 | 25.8 | 18.2 | 6.9 |
| Rural Forest* | 29.6 | 31.3 | 28.0 | 61.6 | 38.0 | 27.7 |

Source: Ghana Statistical Service, GLSS 3, 4 and 5.

* Study area is located in the Forest Zone of Ghana

From the above discussion, it is evident that poverty, though a multi dimensional phenomenon, is widespread among certain segments of the Ghanaian society. The phenomenon is more pronounced in the rural areas than the urban areas. In terms of characteristics, there is a strong relationship between the level of poverty and access to social services in Ghana. There appears to be a widespread difficulty of households to

access potable water, sanitation and decent accommodation, thereby resulting in the creation of insanitary housing environments.

The inability of the housing delivery system to meet effective demand over the years has created strains on the existing housing stock and infrastructure, especially in urban areas. The housing needs of urban inhabitants are often restricted to sub-standard structures and

insanitary environments in squatter and slum communities.

Slum creation has been the result of a recent upsurge in rural-urban migration, limited supply of land, and regulatory frameworks that are not addressing the needs of the urban poor. In 2001, the slum population for Ghana was estimated at 4,993,000 people growing at a rate of 1.83% per annum scattered in all the major cities in the country and is expected to reach 5.8 million by 2010 (Government of Ghana, 2005).

This therefore brings to the fore the issue of housing poverty and housing related poverty, a phenomenon which tends to affect the majority of rural dwellers and some urban dwellers, especially in the wake of increasing urbanization.

Micro-finance activities have had a long standing tradition in Ghana comprising individual savings collectors, rotating savings clubs and credit associations, savings and credit clubs, moneylenders, trade creditors, self-help groups, and personal loans. It is a well known fact that households in the lower income tiers of society patronize micro-credit institutions in the formal and informal sector. Indeed they represent the largest segment in the patronage of the micro-finance institutions (Government of Ghana, 2005). However, funding for micro-finance sector has been limited to shareholders funds, deposits and international donor support, all of which have been minimal. If the funds available to these micro-finance institutions are on a sustainable basis and at a much lower cost, the potential for scaling up micro-finance to lower-income households will be great. Parallel to this, is the focus on enterprise loans almost exclusively.

Housing finance remains a major constraint in the development of housing in Ghana. According to the Ghana National Shelter Policy, the key issues of housing financing include the following:

- i. The absence of financial intermediaries with the ability to channel funds to the households most in need of financial assistance;
- ii. Current institutional lending only reaches and cares for credit worthy, upper and middle-income groups;
- iii. There has been very little development of loan and savings schemes adapted to the needs and financial capacities of moderate and low-income groups;
- iv. There are few programmes or initiatives which expand the availability of home improvement financing for moderate and low-income groups most of whom have incomplete land titling;
- v. Sufficient attention has not been paid to making resources available for loans for the purchase of land; for upgrading and improving existing housing or for the construction of core houses;
- vi. Incentives have not been created which allow for the mobilization of savings from non-conventional sources which would allow low-income families to increase access to home-ownership finance and also encourage them to use existing institutions to enhance their savings capacity;
- vii. Private Sector developers and financing institutions have not been extensively involved in serving households with average incomes which is critical if Ghana is to come close to addressing its current and future housing needs; and
- viii. Inflation has created imperfections in the credit market.

In addressing these challenges, the Government of Ghana has formulated a policy aimed at providing greater access to credit particularly for the target groups. The main strategies supporting this policy initiative are:

- i. Developing a viable and accessible institutional system for the provision of housing finance;
- ii. Promoting savings and investment in housing by developing suitable saving instruments and providing appropriate fiscal incentives.
- iii. Targeting more funds to low and medium income households.
- iv. Supporting programmes and initiatives that expand the availability of home improvement financing for target group households.
- v. Housing Finance Sector Reforms for increased availability of mortgage and construction finance. According to Government of Ghana (2005) the number of primary mortgage operations in Ghana is inadequate. Up until 2006, HFC Bank Limited was the only mortgage company, a situation which virtually left the sector in a monopolistic state.

CHAPTER 4

HOUSING POVERTY AND HOUSING-RELATED POVERTY

The number of people suffering from housing exclusion is growing rapidly throughout the world, especially in large urban areas. This is because urbanisation has resulted in increasing house prices in most urban areas, especially where there are perceived job opportunities. This is reflected by the fact that it has become increasingly difficult for people to move to the areas where jobs are available, with those moving there settling in slums and even sleeping on streets.

The number of people who are homeless is increasing in several countries including Ghana. Meanwhile, the number of people who become homeless because of housing related problems, such as the affordability or the quality of housing, is also growing in most countries (FEANTSA, 2007). Prevention of homelessness by providing good quality and affordable housing therefore becomes more and more important.

Since Ghana's independence, successive governments have been striving to cater to the housing needs of the people. However, the gap between intentions and achievements is wide both in the rural and urban settings. In the early pre-independence period, housing policies and development happened in periods of emergencies such as the bubonic plague in 1924 in Kumasi and the earthquake in 1939 in

Accra. In response to the Kumasi plague, the first government housing development started in 1929 when the New Zongo Estate was built to re-house some of the people (Owusu and Boapeah, 2003). The response to the earthquake in Accra was the implementation of the housing scheme in Labadi and James Town under the administration of Norton Jones. The other housing schemes were limited to the provision of barracks for the army, single and two-room units for the police, civil servants and miners as well as bungalows for senior civil servants.

Three development plans were prepared during the Kwame Nkrumah era. The first was the five-year Plan (1951-1956). This plan made provisions for mass housing in Ghana. The Tema Development Corporation (TDC) was established in 1952 with the aim of promoting housing for the industrial low-income workers in a new town around the newly created Tema Port. The second development plan, prepared during the Nkrumah era, was the five-year plan (1959-1964). The focus under housing in this plan was to encourage individuals to build their own houses. Four main programmes shaped this policy, namely:

1. The Roof Loan Scheme;
2. Self-help building;

3. Assistance from employers in the form of loans; and
4. Sites and services scheme through which suitable tracks of land were to be made available for housing.

The Roof Loan Scheme was started in 1955 upon the recommendation of a United Nations mission in 1954. The scheme implemented by the Department of Social Welfare and Community Development had as its objectives the granting of loans to beneficiaries usually in the form of roofing sheets, nails and timber. The maximum loan given to a beneficiary was ₵800 payable over a five year period with a year's moratorium at 10 percent interest rate the beneficiary's houses had to be constructed up to the wall plate level and then inspected by the Regional Rural Housing Assistant before the roofing materials were released.

The scheme suffered from a low loan repayment rate and was therefore abandoned in the early 1980s. At the time of its abolition, the scheme had benefited a total of 13,726 applicants. Though this scheme had a rather narrow scope of beneficiaries, its major achievement was that it stimulated good construction practices (although on a low scale) since there was a rigid requirement for the erection of a super-structure of acceptable standards.

Under the Roof Loan Scheme, government gave support to individuals funding up to the roof. This programme lasted until the 1970s, during which time the massive tide of migration to the cities had begun; especially Accra and Tema. Some of these migrants amassed some wealth, acquired a little land, built compound housing, and rented out flats while living in the same compound with their tenants. This period is consistent with the tendency of renters to rent from people who have only slightly more money than themselves: rich rent from rich and poor from slightly less poor.

The third development plan of the Nkrumah era was the Seven – Year Plan for National

Reconstruction and Development (1963/64-1969/70). The housing policy objective under this development plan was to be generated by the productive sectors of the economy through a rational balance in investments. The policy caused slum clearance and slower growth of slums in urban areas.

Up to 1979, there was a rent policy which capped rent prices in order to create affordable housing, but it had the unintended consequence of dissuading developers from creating rental units, and made rental accommodation more difficult to locate. It was that same year that Old Fadama was first settled in Accra by people from the north of Ghana, giving birth to a slum phenomenon. As the financial crisis peaked in the 1980s, Ghana, like many other developing nations, signed on to the Structural Adjustment Programmes which allowed for the trade liberalization initiatives; subsequently opened her market to imported building materials. This necessitated the loosening of rent control regimes.

In the late 1980s, the Social Security and National Insurance Trust (SSNIT) expanded on its existing program to build housing for its staff. In 1988, SSNIT began a significant investment in housing at 'social', and not market, prices providing a lower rental option for the general public. In the latter part of 2005, the Government of Ghana started the Affordable Housing Project in some parts of the country. The main objective of the project was to provide affordable rental housing for the low and middle-income workers in the country.

Discrimination in access to housing is widespread and can contribute to housing segregation on income and ethnic grounds. A combination of housing poverty and ethnic segregation can lead to the creation of unsustainable and isolated housing areas. Housing exclusion seems to reach a widening group of the world's urban population. Increasingly people employed in urban centres face major housing problems. At times where

the public support for the social housing sector tends to diminish, the potential target audience of social housing providers seems to continue widening. Many people, especially vulnerable people in rental accommodation, spend an increasing share of their income on housing and housing related costs.

Experience in other countries demonstrates that housing can be an important element in contributing to poverty issues and as a tool in developing policies and programs to alleviate these issues. Yet housing is often overlooked when considering both the causes of poverty as well as potential remedies to alleviate poverty. In Ghana, emphasis on poverty alleviation has been in the provision of micro-credit schemes and other inputs that will facilitate the provision of goods and services as well as productivity in the agriculture sector. Of all the interventions in Ghana to help alleviate poverty, housing has been relegated to the background. This is in spite of the fact that housing is an important productive asset that can cushion households against severe poverty (Moser, 1996).

According to Galster and Killen (1995) and Galster (2002), housing is relevant to poverty

reduction and social inclusion in two important aspects, namely:

- As the single largest expenditure in a household's budget, housing costs crowd out other necessities and put pressure on an already inadequate income (housing-induced poverty); and
- Poverty issues often manifest themselves in spatial patterns. Concentrated poverty is a neighbourhood issue and is directly linked to housing markets and housing assistance

A critical look at the settlements patterns and the housing environment in Ghana shows a concentration of poverty in neighborhoods. In Accra for instance, areas such as Nima, Maamobi, Sodom and Gomorrah are the most deprived and lack access to basic social services such as water, sanitation and improved housing. A similar situation can be found in Aboabo and Moshie Zongo in Kumasi. In a similar vein, there are similar low income neighbourhoods in virtually all the large urban centres in Ghana. This therefore presents the need to critically examine the housing situation in Ghana and its effects on the poor.

CHAPTER 5

HOUSING AND THE POOR IN GHANA

The problem of housing for the poor is severe in developing countries like Ghana where, many poor people live in informal settlements on public and private lands. Despite the fact that self-help housing is common for most people, some still cannot afford to build their own house due to the lack of capital. Others can afford their own house construction but within a constraint of financial needs. As a result, houses are not completed timeously or and in some cases, the process can span a period spanning more than ten years. Many of such houses end up being constructed with cheap materials that do not last long and thus become vulnerable to the climatic conditions as well as to fire. The continuous reconstruction and other related expenses on the houses by households bring untold hardship on them, taking into consideration their limited financial resources. This tends to perpetuate their poverty situation, especially if it is done over a period of time.

Access to adequate housing, safe water and sanitation facilities, is an important ingredient in efforts to improve the health and livelihood of Ghanaians. The Ghanaian housing problem is one of a national development crisis with a current annual need of 70,000 units and an accumulated delivery deficit of 250,000 units needed to de-crowd urban households from

over 10 to a household occupancy rate of 7. An average annual delivery of 133,000 units will be needed to provide adequate housing within the next twenty years, as against the current annual delivery of 28,000 units which yields a performance rate of 21 percent (GPRS II).

Statistics obtained from the Ministry of Works, Housing and Water Resources indicate that there is an insufficient housing stock to meet the ever-increasing demand for housing in the urban areas. Recent estimates indicate that there is an absolute shortage of 400,000 units of houses nationwide. It is further estimated that to replace this shortfall, annual national housing delivery should be approximately 120,000 housing units. The supply capacity nationally is 42,000 units per annum. Thus 60 percent of the national requirement remains unsatisfied each year. In short, attempts to provide adequate housing has been satisfactory and represents a real crisis situation.

The GPRS II treats housing provision as a strategic area for stimulating economic growth while at the same time improving the living conditions of Ghanaians. The very activity of providing housing contributes to economic growth through multiplier effect of housing construction on the economy. It is estimated that for every ten thousand dollars (US\$ 10,000) spent on housing construction, more

than seven jobs, are created in related industries and enterprises. Data are not available for the Ghanaian situation but the impact could even be greater considering the labour intensive nature of operations within the construction industry. The Government of Ghana is in the process of reviewing the National Shelter Policy, with the ultimate aim of providing adequate and affordable housing with requisite infrastructure and basic services to satisfy the needs of the people.

A study conducted in Phnom Penh in July 2004 revealed that adequate housing is one of the effective means to alleviate poverty because shelter is usually the most expensive item for households. It is also a pre-requisite for better health, providing a great amount of saving when one is not sick (Bunnarith, 2004). Furthermore, it is argued that housing is a source of income because people can use their house as a place to generate income, either through home-based business or through renting, especially if it is located in a safe suburb of the city.

The provision of adequate housing enhances productivity of all individuals. Conversely, the lack of basic housing requirement induces stress and affects productivity. Provision of housing is also linked with national economic development because the rate of house construction is directly related to economic performance. In Ghana, like many developing countries, high cost of land (especially in urban areas), land litigation/disputes, over reliance on imported materials, inadequate conceptualisation of the dynamics of the population growth including urban population; among others, are traditionally considered the underlining causes of the housing problems.

The type of building materials used by individuals and institutions depend on cost, availability of building materials and people's ability to pay for them (GSS, 2005). The two main materials for the construction of the outer walls of a house in Ghana are mud brick/earth

and cement/concrete, which together account for 89.1 per cent of wall materials of dwelling units (GSS, 2000). The earth/mud brick constitutes 50.0 percent while concrete is used in 39.1 percent of the cases. The use of timber in building main walls of houses accounts for 4.0 percent and is probably because of cost, fire hazard and the follow up on maintenance costs. According to the GSS (2005), there are three main materials used in Ghana for roofing houses. They are corrugated metal sheets (60.3 percent), thatch/palm leaf (18.6 percent), and slate/asbestos (12.9 percent).

Other consequences of the high cost of building materials and low incomes relative to increasing demand for houses are congestion, overcrowding and pressure on existing amenities, accelerated deterioration of existing stock, and consequential higher maintenance and replacement rate.

The figure of US\$9000 is now being quoted as the minimum price of an affordable house under the low cost housing project by the government. Given the current minimum wage of 1.3 cedis per day, it will take someone on the current minimum wage 17 years to service the loan, excluding interest, and committing his or her entire salary to it (Mahama and Antwi, 2006). In addition, the price of a one bedroom house in Ghana is estimated to be about US\$17500 while that of a three bedroom ranges from US\$32,000 to US\$36,000. Details of the prices and the house types and their corresponding floor space are presented in Table 11.

TABLE 11 PRICES OF HOUSES IN GHANA

| Rooms per House | Cost US\$ | Approximate Floor Areas (sq.m) |
|--------------------------------------|-----------|--------------------------------|
| 1 Bedroom | 17,500 | 76 |
| 2 Bedrooms | 22,000 | 82 |
| 2 Bedroom(Expandable) | 25,000 | 96 |
| 3 Bedroom (Non-Expandable) | 32,000 | 120 |
| 3 Bedroom (Semi-Detached Expandable) | 36,000 | 140 |

Source: Mahama and Antwi, 2006

The country's land market is concentrated in Accra and other major cities. Land prices are extremely high in upscale residential areas in Accra such as Cantonments, Labone and the Airport Residential Area with price range from US\$120,000 to US\$200,000 for a 0.4 acre plot (Karley, 2008). He further argues citing NTHC Properties Limited (2007) that serviced 100x70ft plot in areas near the capital such as East Legon, Tema and Sakomono are sold between US\$12,000 to US\$18,000. Mahama (2004) has also indicated that, land prices in Kumasi, the second largest city, range from US\$20,000 to US\$40,000 for unserviced lands close to major road networks.

A study of informal urban land transactions in Accra by Karley (2008) also shows that whilst the land price is often artificially over priced, the willingness to pay a high price for a plot of land is influenced by several factors including the level of development, water and electricity

nearby, access road availability, litigation and layout approval. But location has been the strongest determining factor.

Failure to maintain or replace housing units will lead people to live in houses that are a threat to their own lives. The higher rate of housing deterioration without corresponding replacement implies that the number of household requiring houses will increase in the future (GSS, 2005), a situation which is likely to worsen the plight of the poor and vulnerable.

From the above discussion, it can be observed that the continuous deterioration of the housing environment presents a daunting challenge for the poor in Ghana. This calls for a critical assessment of the relationship between housing and the poverty reduction efforts of the country since there seems to be a strong correlation between improved housing and poverty reduction.

CHAPTER 6

HOUSING AND POVERTY REDUCTION EFFORTS

According to ONPHA (2008), there are three key ways in which housing_based programs can contribute to poverty reduction. The first is at the individual household level and involves reducing net housing cost. This can be achieved either through rental assistance in private rental housing or in social housing by virtue of providing a subsidy to reduce the households out_of pocket expense to a maximum of 30 percent of their income (so called rent_gearred_to_income or RGI rent). The second is by using housing programs as a basis for asset building. More specifically, by providing assistance to enable modest income households to access homeownership and thereby access equity through an appreciating asset. The third and final approach is the construction of social housing. This has been the predominant approach used to date in most countries. Constructing homes, does not in and by itself relieve poverty; however it can address the affordability issue. Constructing homes has a specific spatial impact and if undertaken in a carefully designed policy, can be effective in creating and sustaining mixed income and mixed tenure communities.

ONPHA (2008) further argues that, within these three broad types of approach there are two variants that focus on the individual/family (so called personal_based) subsidy as

well as dwelling_based (supply) approaches. The first category is the aspatial subsidy where the main focus is on relieving high shelter cost burdens, often with no consideration given to where (geographic location, place) the household lives. The second category has more direct links to a place of residence and specifically involves building or buying housing that is fixed in location (it is spatially fixed and location - specific). Under aspatial mechanisms, the primary objective is to relieve high shelter cost burdens which can have positive impacts on poverty reduction issues and are examples of the “crowding out” effect high housing costs have on low income household budgets.

A key observation of the relationship between housing and poverty reduction is that the construction of homes in itself does not guarantee poverty reduction but can address some challenges of the households such as lower rents and improved access to water, sanitation, and other services. In addition, the constructed houses can serve as collateral for households seeking financial assistance to establish business ventures which can help alleviate poverty in the long run.

In view of this, several initiatives have been pursued by countries to use housing as a strategy for poverty reduction. Two of such case studies are presented in the following section.

CHAPTER 7

HOUSING POLICY AND PROGRAMMES IN GHANA

Currently, Ghana is facing an acute housing problem with housing deficit being in excess of 400,000 units. The most vulnerable groups are urban and rural poor whose houses are mostly constructed with sub-standard materials with little or no basic services and infrastructure including proper drainage and waste disposal systems. The key factors militating against effective housing delivery in Ghana include the following:

- Land Cost and its accessibility;
- Finance;
- High cost of Mortgage;
- Infrastructure Development;
- Development Approval Procedures;
- Availability and Cost of Building Materials;
- Institutional Co-ordination; and
- Governance for Shelter Provision.

In view of this, the ultimate goal of the country's shelter policy is to provide adequate, decent and affordable housing that is accessible and sustainable with infrastructural facilities to satisfy the needs of Ghanaians. This will be complemented by the following policies which address the challenges enumerated above.

- i. Improve the supply of serviced land available for housing, particularly for the target groups.
- ii. To expand infrastructure development to all areas of the country and ensure its access by all citizens through a clear infrastructure policy and development programmes
- iii. To develop, produce and promote the increased use of local alternate building materials of acceptable quality to respond effectively to the shelter construction needs of the majority of the country's population.
- iv. Provide greater access to credit particularly for the target groups.

CHAPTER 8

PRESENTATION AND DISCUSSION OF FINDINGS

This section of the report is concerned with the presentation of the survey results from the four communities visited to assess the contribution of housing to poverty reduction. The section first briefly contains the descriptive analysis of the data gathered, which is followed by a statistical analysis between the conditions within the control group and those of the experimental groups. The discussions basically involve establishing differences in the indicators presented earlier in this report between the two groups to identify statistical variation among them.

The control communities, as can be seen in Pictures 1 and 2, are communities that have not

received any intervention and are constrained by the absence of improved housing, potable water, and sanitary facilities, among others. On the other hand, the experimental communities are communities that have benefited from improved housing environment (See Pictures 3 and 4). The households in these communities have received some support from Habitat for Humanity International Ghana (HHIG). HHIG's mandate is to assist rural people provide housing for themselves in firmly rooted scripture; working in partnership with Government and various people from all walks of life. HHIG therefore develops communities for people in need by building and renovating houses.



Picture 1: A house in the Control Community of Kodie

Source: Field Survey, March 2009



Picture 2: A house in the Control Community of Hwidiem

Source: Field Survey, March 2009



Picture 4: A house in the Experimental Community of Kodie Habitat

Source: Field Survey, March 2009



Picture 3: A house in the Experimental Community of Konongo Habitat

Source: Field Survey, March 2009

From Pictures 1 to 4, it can be seen that houses in the experimental communities are built with improved building materials such as cement and sandcrete blocks, iron sheets and have better housing environments as a result of landscaping. The situation in the control communities is different and generally worse. Most of the buildings in the communities have leaking roofs and exposed foundations as a result of erosion.

The gauging of household poverty in this study is done by assessing households' access to some essential services. Some of the most important housing characteristics concern the facilities to which households have access to. Tables 13 and 14 report the proportion of households in the two groups with access to potable water and adequate toilet facilities, among other indicators. This is important because improved housing conditions have a strong correlation with poverty reduction.

A housing unit is a single room or group of rooms (or other structure) arranged for human habitation and occupied or intended for occupancy as separate and independent living quarters by a person living alone or persons living together. When housing is viewed as shelter or living space only, dwellings tend to

be built without regard for the environment or services needed to support their inhabitants. Housing is a package of services (land, public facilities and access to jobs) as well as the structure itself.

Data from the field survey indicate that, the average number of rooms observed in the control communities was 3.1 for rural and 7.0 for urban. These figures compared favourably with those of the communities in the experimental group where there have been improved housing. In spite of the greater number of rooms in houses in the control communities, the proportion of habitable rooms was not encouraging compared to the situation in the experimental communities (Table 12). This may be partly due to the improvement in the housing conditions as a result of the investment by Habitat International. The average number of persons per room recorded for the experimental communities was 2.6 for rural and 3.3 for urban, as against the 3.9 for rural and 4.2 for urban in the control communities. One implication of the relatively few people in a room is the possible decrease in the spread of communicable diseases which has a toll on household expenditure, and hence poverty.

TABLE 12 SELECTED HOUSING INDICATORS FOR EXPERIMENTAL AND CONTROL COMMUNITIES

| Community | Control | | Experimental | |
|-------------------|---------|-------------------------|-----------------------------------|-----------------------------------|
| | Status | Average Number of Rooms | Average Number of Habitable Rooms | Average Number of People per room |
| Kodie* | Rural | 3.1 | 2.0 | 3.9 |
| Kodie Habitat** | Rural | 2.3 | 2.1 | 2.6 |
| Konongo Habitat** | Urban | 2.5 | 2.2 | 3.3 |
| Hwidiem* | Urban | 7.0 | 5.0 | 4.2 |

Source: Authors' Construct, 2009

* Control Communities

** Experimental Communities

Water is an important requirement in all spheres of human endeavour. Historically, most towns and villages in Ghana were established on the banks of rivers and lakes such that access to water was uninhibited. An adequate supply of easily accessible potable water is a necessary condition for households to attain good quality of life. In fact, improvements in hygiene and sanitation are contingent on water availability (Songsore, 1992). At the national level, it is observed that only 39.9 percent of households have access to pipe borne water supply.

The main source of water for both the control and experimental communities is the borehole. It can be seen from Table 6 that all the sampled respondents in the experimental communities indicated that the water they use was very reliable. This was slightly different from the case of the control communities where 87.2 percent of the respondents in the rural community indicated that their water source was reliable while that of their urban counterparts was 65.4 percent. The substantial difference in the situation may be due to the improvement in the housing environment as a result of the investment by HHIG.

Distances to the water source in the rural communities were generally shorter than those in the urban communities (Table 13). This is because of the relatively small area covered by these communities, hence the provision of one or two boreholes seem to serve almost every

household in the community. Comparing the distance to the water source for the control communities to that of the experimental communities, it can be realised that, those in the experimental communities are better off than their counterparts in the control communities. It is worth noting that there was no substantial difference in the cost of water between the experimental and control communities. From the field survey, it was observed that, for both control and experimental groups, those in the urban communities pay the same amount (GH¢0.50) for 17 litres of water. There were, however, differences between the rural communities with the inhabitants in the experimental community paying GH¢0.10 less than their counterparts in the control community. These differences may be attributed to the active participation of the water and sanitation committees in the determination of these prices.



Picture 5: Borehole serving the Experimental Communities

Source: Field Survey, March 2009

TABLE 13 SELECTED INDICATORS FOR WATER IN THE CONTROL AND EXPERIMENTAL COMMUNITIES

| Community | Status | Distance to Water Source (m) | Water type | Reliability of water (%) | | Cost of water per 17 Litres |
|-------------------|--------|------------------------------|------------|--------------------------|------|-----------------------------|
| | | | | Yes | No | |
| Kodie* | Rural | 89.2 | Bore hole | 87.2 | 12.8 | 0.30 |
| Kodie Habitat** | Rural | 87.1 | Bore hole | 100 | 0.0 | 0.20 |
| Konongo Habitat** | Urban | 93.1 | Bore hole | 100 | 0.0 | 0.50 |
| Hwidiem* | Urban | 100.4 | Bore hole | 65.4 | 34.6 | 0.50 |

Source: Field Survey, May 2009

* Control Communities

** Experimental Communities

Sewerage disposal has been a problem in the country, with inadequate dumping sites being the contributing factor. At all levels of waste management, inadequate logistics and lack of adequate education on proper waste disposal prevail. This problem has a chain reaction; improper and indiscriminate waste disposal pollutes water bodies and pose several health problems, which in turn, result in high mortality rates for all ages. The labour force and productivity thus suffer in the long run. The main method of solid waste disposal in all four study communities was surface dumping with isolated incidence of burning. The situation was however severe in the control communities.

The linkage between sanitation and poverty is crucial because, defining poverty based only on income misses many aspects of poverty and in so doing, misses many means by which poverty can be reduced. Poverty lines do not identify who lacks adequate water and sanitation, safe, secure accommodation and health care. However, this is an integral part of household wellbeing which calls for attention. Poor health presents difficulty in meeting their health bills while an improvement in the health of household members can facilitate production which can ultimately help reduce poverty.

TABLE 14 BATHROOM AND TOILET INDICATORS IN THE CONTROL AND EXPERIMENTAL COMMUNITIES

| Community | Status | Availability of Bathroom | | Condition of Bathroom | | Availability of Toilet | | Condition of Toilet | |
|-------------------|--------|--------------------------|------|-----------------------|------|------------------------|------|---------------------|------|
| | | Yes | No | Good | Poor | Yes | No | Good | Poor |
| Kodie* | Rural | 75.0 | 25.0 | 70.4 | 29.6 | 74.1 | 25.9 | 64.8 | 35.2 |
| Kodie Habitat** | Rural | 100 | 0.0 | 100 | 0.0 | 100 | 0.0 | 84.5 | 15.5 |
| Konongo Habitat** | Urban | 100 | 0.0 | 95.0 | 5.0 | 100 | 0.0 | 90.0 | 10.0 |
| Hwidiem* | Urban | 84.2 | 15.8 | 73.6 | 26.4 | 40.9 | 59.1 | 28.2 | 71.8 |

Source: Field Survey, May 2009

* Control Communities

** Experimental Communities

In high and medium class areas, concrete channels and pipes draw the waste water into road side ditches which eventually convey the sillage to one of its water courses. Stagnant pools of water are therefore rare in these well developed residential areas. On the contrary, in most low income areas sillage normally flows on to the ground outside the house and finds its own way to the roadside ditches which are most of the time not in existence or choked (Picture 6).



Picture 6: Waste water from a bathhouse in the Control Community

Source: Field Survey, March 2009

Bathroom facility is one of the major needs in every home. Ideally, each household must have a bathing facility for its exclusive use. According to the GSS (2005), the commonest bathroom facility at the national level is shared bathroom (32 percent), followed by bathroom for exclusive use of household (23.5 percent). Data from the field survey revealed that, households in the experimental communities had bathrooms that were in good conditions. However, the same cannot be said of the control group where some respondents did not have bathroom facilities (see Table 14) and as such had to bath either very early in the morning or late in the evening in the open. It is worth noting that, improved access to bathing facilities in the house provides household members some level of comfort which is a necessary condition of wellbeing.

At the national level, the toilet facility mostly in use is public toilet (accounting for 31.4

percent); followed by pit latrine (22.0 percent); water closets usage constitutes 8.5 percent (GSS, 2005). One fifth of all households have no access to toilet facilities at all and instead use the bush/beach and open fields.

The proportion of households with access to adequate toilet facilities in the experimental communities was more significant than those in the control communities. From Table 14, it can be seen that all the sampled respondents in the experimental communities had enhanced access to improved toilet facilities while in the control communities, only 40.9 percent in the urban community and 74.1 percent in the rural community had enhanced access to improved toilet facilities. The conditions of these toilets also follow similar trend with those in the experimental communities using a more improved sanitary facility than those in the control communities (see Picture 7). This is significant because an improvement in access to good sanitation and toilet facilities has a huge impact on people's lives. Better access to toilet and sanitation leads to improvements in the health of household members and improvements in personal hygiene as well as psychological wellbeing.



Picture 7: Toilet facility in the Control Community

Source: Field Survey, March 2009

The majority of households in the country do not have access to a properly designated kitchen facility (GSS, 2007). This situation was not different from what was observed in the control communities (Table 15). From the

Table, it can be seen that, about 45.6 percent and 35.7 percent of respondents in the rural and urban communities respectively had kitchen facilities in the houses. Out of the proportion that had kitchen facilities, about 65.5 percent said that the facilities were in good condition in the case of the rural community whilst about 70 percent of their counterparts in the urban community responded the same. In the case of the experimental communities, all respondents had kitchen facilities and all

were in good condition. Just like improved toilet facilities, kitchen in a house has a considerable effect on the psychological wellbeing of household members. This is due to the importance and emotional feeling attached to cooking by women, especially in the traditional household settings. Improved kitchen condition is therefore expected to help households overcome their emotional stress, a situation critical for poverty alleviation.

TABLE 15 BATHROOM AND TOILET INDICATORS IN THE CONTROL AND EXPERIMENTAL COMMUNITIES

| Community | Status | Availability of Kitchen | | Condition of Kitchen | | Average Income | Average Expenditure |
|-------------------|--------|-------------------------|------|----------------------|------|----------------|---------------------|
| | | Yes | No | Good | Poor | GH¢ | GH¢ |
| Kodie* | Rural | 45.6 | 54.4 | 65.5 | 34.5 | 198.6 | 212.9 |
| Kodie Habitat** | Rural | 100.0 | 0.0 | 100.0 | 0.0 | 237.5 | 208.3 |
| Konongo Habitat** | Urban | 100.0 | 0.0 | 100.0 | 0.0 | 268.3 | 250.1 |
| Hwidiem* | Urban | 35.7 | 64.3 | 70.0 | 30.0 | 250.5 | 290.4 |

Source: *Field Survey, May 2009*

* Control Communities

** Experimental Communities

Household income provides a good measure to assess the level of poverty experienced by households in any given geographical area. Data from the field survey revealed the general trend of increased income levels in the urban areas as opposed to the rural areas. Comparing the figures of the control communities with those of the experimental communities, it can be observed that, the situation is better in the experimental communities than in the control communities. For example, the average income in the urban experimental community was GH¢268.30 while that of the control urban was GH¢250.50. The same is the case for the rural communities, as can be seen in Table 15.

Household expenditures for the control groups were generally higher than the experimental communities. This may be partly due to the absence of huge rents in the experimental communities as respondents own the houses they live in. This has a strong bearing on household financial resources since it is expected to relieve some resources for possible investments in other equally important livelihood activities.

CHAPTER 9

LESSONS LEARNT AND CONCLUSIONS

One basic necessity of life for the human population is shelter. The type and quality of housing facility used by a household constitutes a basis for assessing the standard of living of the household. Evidence from the field suggests that, households living in improved houses in the Habitat communities with enhanced housing condition and environment are better off in terms of access to social services such as water, sanitation and some other housing indicators. This has a crucial role in the poverty reduction efforts for households in the experimental communities and calls for some improvement in the housing conditions of the poor both in the urban and rural areas to help improve their lot.

From the discussion of the related literature and field data, the following findings emerged:

- i. There is a strong correlation between improved housing and the poverty reduction efforts of governments. This is because adequate housing is one of the effective means to reduce poverty and is usually the most expensive item in the households' expenditure basket;
- ii. Improved investments in the housing environment can result in increased wellbeing, especially in households' access to basic social services such as water and

sanitation. Better access to toilet and sanitation lead to improvements in the health, hygiene, livelihoods, psychological wellbeing and social interaction of household members;

- iii. Even though poverty occurs at an individual or household level, the most visible evidence of poverty arises when poor families and individuals cluster in an area; and
- iv. Developing the supply of subsidized housing and quality accommodation is a priority for poverty reduction after access to employment and social integration. This is captured by the Ghana National Housing Policy document of 2006.

This report has shown that based on theory and empirical studies housing has a potential to impact poverty reduction positively, which would appear to be the rationale for the introduction of housing as an instrument for poverty reduction.

In spite of this tremendous potential for poverty reduction, housing does not appear to have been adequately mainstreamed into most poverty reduction programmes in Ghana and elsewhere; particularly in the developing world. In the same vein, most of the poverty reduction programmes reviewed with respect

to Ghana do not appear to have paid enough attention to housing.

A comparison of consciously designed and implemented housing scheme with an old and run-down housing environment appears to lend credence to the fact that, an enhanced housing environment can create conditions that are conducive for poverty reduction. Consequently, it may be inferred that housing can be used as a tool for poverty reduction but this must be consciously designed and targeted to ensure that the desired impacts are realized.

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UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

P.O.Box 30030,Nairobi 00100,Kenya;

Tel: +254-20-7623120;

Fax: +254-20-76234266/7 (Central office)

infohabitat@unhabitat.org

www.unhabitat.org

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