

## Seminar: The Effects of ESAP

### Housing, Homelessness & ESAP in Zimbabwe

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#### ESAP and its effects

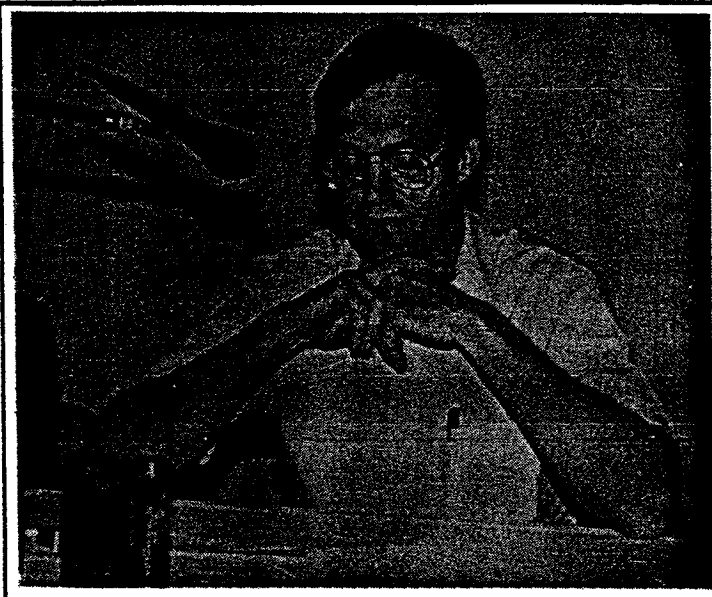
ESAP is a policy which requires stringent economic means as a precondition to its goal of economic reform. Such consequences as increased poverty brought about by devaluation of currencies, a widening income gap between rich and poor, increasing malnutrition with the removal of subsidies on basic foodstuffs and a spiralling rate of inflation (at least in the beginning phase of the programme) have created hardships for both the traditional "vulnerable" groups and indeed for the majority generally. This situation is common to most developing countries which have adopted structural adjustment programmes.

It is clear that the vulnerable groups of the population, such as children, severely handicapped people and the elderly, are likely to suffer very much from the consequences of adjustment policies. They require some form of support, although there is no clear plan of action in most adjustment measures to ensure their integration into society. There should therefore be complementary policies to protect such groups during periods of adjustment until resumption of 'growth' occurs - if indeed it ever does.

Lack of access to formal sector jobs, reduced household income and price increases require social policies and programmes that permit low income households to meet their basic needs

independently as far as possible. The programmes should include, for example, employment creation schemes and nutrition support for the most deprived groups. To some extent this support has been offered - if more as an after-thought and a palliative measure - through the provision of funds under the Social Dimensions of Adjustment monies.

However although structural adjust-



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worsening situation. The United Nations positively links the deteriorating social and economic situation in Africa, Latin America and much of Asia, directly to the adoption of structural adjustment measures. For example the United Nations Children's Fund has documented how foreign debt and structural adjustment programmes have contributed to raising infant mortality, closed health clinics, empty schools, growing malnutrition and the spread of preventable diseases.

Meanwhile, UNICEF have noted that over the course of the 1980s, average incomes fell by 10% in most of Latin America and by over 20% in Sub-Saharan Africa, while in many urban areas, real minimum wages have declined by as much as 50%. The disposable incomes available to both urban and rural populations has declined dramatically, and this affects the ability of families to care for themselves, including, in addition to food and clothing, the most basic necessity of shelter.

#### Homelessness, housing and ESAP

Homelessness is the result of increasing poverty, unemployment and destitution - brought about, at least in

part, by the harsh realities involved in implementing SAPs for the poorer sections of society. Poverty and lack of affordable shelter are common in developing countries. For example, accord-

#### GLOSSARY GLOSSARY GLOSSARY GLOSSARY

**currency devaluation:** a reduction in the exchange value of money, e.g. we now need more Zimbabwean dollars to buy one American dollar than we did before

**inflation:** a situation where money buys fewer goods or services than before because

prices keep going up

**'growth':** increase in economic activity

**palliative:** something that lessens the unpleasant effects of a problem

**ostensibly:** seemingly; supposedly

**stagnation:** absence of develop-

ment

**real minimum wages:** minimum wages considered in terms of their buying power [see p. 3]

**disposable incomes:** the amount of money left after tax and other deductions are made on one's wages or salary

ing to the United Nations Commission of Human Settlements, one fifth of the world's population, or around one billion people, live in homeless, overcrowded or squalid conditions.

Zimbabwe is no exception to this dire situation - there are presently over one million persons on housing waiting lists throughout Zimbabwe and by the year 2000 it is expected that 700 000 more houses will be required. However, only 1 000 housing units are being built each year. Harare alone presently has a housing backlog of more than 85 000. In 1992 the housing waiting list stood at 78 955, with 5 458 new applicants registered. Yet a meagre 205 houses and

stands were allocated by the Council during the year. Although there is a need for further acquisition of land and upgrading and maintenance of existing accommodation, the Council is seriously handicapped by lack of resources.

Under the Structural Adjustment programme, Government is increasingly looking towards home ownership and private sector participation in the construction of houses. Local authorities are increasingly focusing their resources on expanding the supply of serviced stands which will then be developed privately by the home owners.

Unfortunately this situation is not working as housing credit is not available from the private sector (i.e. the building societies) as funds have been diverted away by higher interest rates available through the Post Office Savings Bank (POSB) and consequently mortgage bonds are currently not available. However although there are various useful alternative schemes which have been tried successfully elsewhere, such as housing cooperatives, these have not been developed seriously in the context of Zimbabwe.

Reduced household incomes in the face of spiralling costs will inevitably seriously weaken the ability of individual workers to afford a house on the market. Low income earners are unable to afford the cheaper "low-cost" core house, which become the target of middle-income earners. Increasingly the lower income earners are forced into a situation of homelessness, or insecure, overcrowded rented accommodation, often exploited by unscrupulous landlords. It is only the high cost luxury houses, often fetching over a million dollars, which remain in demand.

Other results of ESAP, such as the decontrolling of prices of basic commodities, create further hardships. The decontrolling of prices of housing inputs such as cement, bricks, door and window frames, which are in short supply, is bound to make them less affordable to ordinary people. Although the Government has moved to place some materials such as cement on the Open General Import Licence (OGIL), these items may still be difficult to obtain and remain expensive.

### Concern for the Homeless

The need for shelter is obviously great. Many of those waiting for housing are living in overcrowded and unsatisfactory situations, but many others are surviving on the streets. Those who are

**mortgage bonds:** money borrowed using one's property (usu. a house) as security to guarantee repayment

**sanitation:** measures that promote public health

**street people:** people who are homeless, and therefore live in the streets, or people who have some sort of home but go into the streets to earn a living through performing various services or work

**financial cut-backs:** when the government stops or reduces its spending on many projects or services

**subsidy:** state financial contribution in the prices of commodities, in order to make them affordable to consumers

thrown into homelessness through retrenchment and poverty face a difficult and uncertain future. Circumstances are harsh enough in the ESAP climate that we have today. What is needed is a more sympathetic policy, where people's own initiatives are supported rather than suppressed. The ruthless round-ups of squatters and destitute people, who may provide an "eyesore" to the more privileged, is no solution. Several ways of relieving the problem of homelessness can be identified:



\* Government should assist squatters more through purchase of land, contributing towards provision of basic facilities such as water, sanitation and health services.

\* Policies which encourage unrealistically high building standards should be modified to allow people to build decent shelters at a much lower cost.

\* Efforts need to be made to support groups who are providing, through self-help, shelter and mutual assistance, instead of viewing these groups in a suspicious way.

This latter point is worth elaborating: in Zimbabwe a self-help group called the Street Peoples' Organisation was founded in 1989, with the following objectives:

- (i) to foster co-operation amongst the street people with a view to developing self-employment schemes;
- (ii) to encourage technical cooperation and the interchange of information between the Organisation and the rest of the society, thereby developing mutual understanding.
- (iii) to abolish the problem of people sleeping in the city streets.

The group has tried to create the opportunity for discussion and negotiation with the authorities but only recently there are signs of a more liberal approach being adopted by the authorities.

### Conclusion

There are many social costs to the adoption of structural adjustment programmes, not least of which is the lack of disposable income. In a situation of financial cut-backs, retrenchments, reduced subsidies and devaluation of currencies, the pressure on low income (and even middle income) households to secure and then maintain affordable housing becomes critical. Sympathetic policies on the part of government and local authorities towards those in difficult circumstances with regard to accommodation and shelter are vital.

*Nigel Hall is also editor of the Journal on Social Development in Africa.*



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