

The First Lusaka Upgrading and Sites and Services Project: Summary of the Main Findings of a Five-Year Evaluation

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Two strategies addressed to the expanding population in squatter communities in Lusaka are the upgrading of existing dwelling units and the sites and services component which provided new housing to families in the higher income bracket. The project design offered avenues for high level community participation and involvement in the planning and implementation phases thereby reducing opposition to the project from any quarter. The project provided its clientele access to basic urban services, in addition to better quality housing. Its impact, however, on the families and national housing policy is still a question that has to be resolved.

Introduction

The First Lusaka Upgrading and Sites and Services Project was one of the earliest World Bank financed urban shelter programs. The loan agreement, signed in December 1974, involved the provision of water, roads, and security lighting for 17,700 families in upgrading areas and the servicing of 11,400 new sites. Approximately 7,000 of the new sites were planned as overspill areas to accommodate families moved from upgrading areas to permit the construction of roads and other facilities. The remaining sites were to be leased to families from lower and middle income groups.

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The Lusaka project was one of four selected to be included in the International Development Research Centre/World Bank sponsored evaluation (the other projects were the Tondo Project in Manila and sites-and-services projects in El Salvador and Senegal). This article summarizes the main findings of the evaluation. The final report on the evaluation was completed in June 1981¹ and will probably be published by the Government of Zambia.

The evaluation was conducted by a special evaluation unit within the executing agency (the Lusaka Housing Project Unit). The Evaluation Team

¹Bish Sanyal, Nelson Valverde and Michael Bamberger, "Evaluation of the First Lusaka Upgrading and Sites and Services Project," Draft Report, Urban and Regional Economics Division, Development Economic Department, The World Bank, May 1981.

was mainly staffed by Africans and after the departure of an expatriate consultant who directed the Team for the first two years, the direction was in the hands of a Zambian sociologist. Technical assistance was provided throughout the five-year period by the Urban and Regional Economics Division of the World Bank.

The Context in Which the Project Developed

Prior to Independence in 1964, Zambia had been a junior partner in British East Africa. Lusaka had been designed as a spacious, "garden city" for Europeans and Asians, with Africans only being permitted to live in the city while they were employed. African workers lived either on the property of their employer or in "compounds," and in most cases could not be joined by their families. Once employment was terminated, workers were required to leave the city and return to the village. The policy was to tear down any unauthorized structures, and although "illegal" communities did grow up outside the city limits, no provision was made for them by local authorities.

The years after Independence saw a rapid growth of the population of Lusaka. This was due to a combination of the economic boom caused by high copper prices, economic diversification, administrative growth, and a relaxation of the controls on internal migration and new settlements. The urban migration was also fueled by families coming to join spouses already established in the city and by the lack of employment opportunities in the rural areas. Inevitably most of the new migrants moved to the squat-

ter compounds which were growing up around the periphery of the city.

The newly independent government rapidly found itself responsible for two separate "cities." The first of these was the former European and Asian city with its well-planned layout and high service levels. Administration of this sector of the city was difficult enough because many expatriate administrators left at the time of independence and because much of the administration had previously been directed from London. At least, plans and procedures had been established.

The second "city" consisted of the rapidly growing squatter areas which, after the expansion of the area covered by Lusaka from 67 square kilometers to 360 square kilometers in 1970, represented about 40 percent of the total city population. No clear guidelines existed in Zambia for the development of these squatter areas. After some initial attempts to continue the colonial policy of demolition, it was accepted that a policy of eradication was neither feasible nor consistent with the philosophy of humanism. The situation was made more complicated as the quasi-legal status of the squatter areas meant they produced almost no revenue for the city to help cover their development costs. The incorporation of these areas contributed substantially to the decline in per capita revenue of the City of Lusaka from 3.57 Kwacha in 1965 to 1.38 Kwacha in 1972.

The policy options were further constrained by the abrupt end of the period of economic growth enjoyed in the sixties. The combined effects of the fall in copper prices and the

disruption of trade routes and increased military expenditures produced by political and military events in Zimbabwe, Zaire, and Angola were so serious and prolonged that the per capita Gross Domestic Product of Zambia was lower in 1979 than it had been in 1965 or 1972. The deteriorating economic situation made it imperative to seek less costly solutions to the rapidly growing shelter problems.

As in many other parts of the world, the squatter settlements were the strongholds of the major political parties who became the main protectors and advocates of the more than 150,000 people whose right to live in the city was still only partially recognized by the public authorities. Both the African National Congress and the United National Independence Party (UNIP) developed very strong grassroots organizations and became very effective advocates of the rights of the "New Majority." The right to a house and basic services were proclaimed as one of the rewards of Independence, and stamping out housing inequalities and geographical segregation were seen as part of the battle against the vestiges of colonialism. After Zambia became a one party democracy, UNIP established a very effective organizational structure based on 25 family sections in almost all of the squatter areas. One of the continuing themes throughout the development of the project has been the interaction between the Housing Project Unit (HPU) and the Lusaka City Council [(LCC), now Lusaka Urban District Council (LUDC)] on the one hand and the local UNIP organizations on the other. While the objective of the LCC was to integrate the project areas into the normal admin-

istrative and financial systems of the city, UNIP saw its role as the advocate of the underprivileged squatters and sought to ensure they received an equitable share of the rewards of Independence. The difficulties of establishing an effective cost recovery system illustrates very clearly the problems of reconciling these two points of view.

The equity issue was further complicated by the policy of providing housing subsidies for employees of government, local authorities, and parastatal organizations. The subsidies, which originated in the colonial policy of providing subsidized housing to attract expatriate staff, continue to be highly regressive and to mainly benefit the middle and upper income groups. It was estimated that in 1978 about 44 percent of all housing subsidies to public employees were received by the 10 percent with the highest incomes, while the poorest 30 percent only received 1.8 percent of total subsidies. In total, the poorest 50 percent of workers only received 10 percent of the subsidies.² It was also found that while housing subsidies represented less than 15 percent of the total employment benefit package for the poorest 30 percent of government employees, the subsidies represented over 40 percent of the benefits for the highest 10 percent. In addition to the considerable drain on government resources, the long tradition of housing subsidies questioned the social justice of requiring complete cost recovery in the Bank

²Hinh, Sanyal, Valverde, and Bamberger, "Housing Subsidies in the Public Sector in Zambia," Urban and Regional Report No. 81-6, Urban and Regional Economics Division, World Bank, May 1981.

project which was designed for the poorest urban groups, when most other groups were receiving very considerable subsidies. It was estimated, for example, that many of the highest income families are only paying about ten percent of the economic rent for their house.

The above factors created the political climate within which the Project was planned and developed. The newly independent Zambia wished to remove the vestiges of colonialism and to give Africans the same benefits previously enjoyed by expatriates. The philosophy of humanism reinforced this sentiment by making social and economic equality an important political objective. These ideals, together with urban planning traditions, created pressures to provide high standard housing for everyone. Similarly, it was felt that housing was a right, and that standards should be determined by needs as much as by ability to pay. It was assumed that the pursuit of this policy would imply subsidies for the economically weaker groups. The case for these subsidies was strengthened by the substantial housing subsidies provided to most public employees.

The combined effect of the economic depression which occurred during most of the seventies and the rapid increase in the demand for public services put an increasing pressure on the resources available to the central and local government authorities. This led to the more pragmatic conclusion that lower standards must be accepted and that innovative approaches, such as squatter upgrading and sites-and-services, must be the basis of the national housing policy. The potential contradictions between the

political objectives and the economic reality have continued to play an important role in the way the project has developed.

The Administrative Challenge

In order to obtain an objective evaluation of the Project's achievements, it is necessary to appreciate the enormity of the administrative tasks involved. In addition to the inevitable administrative pressures of independence, the departure of many expatriate staff and the assumption of functions previously administered from London; the Lusaka City Council and the central government agencies were required to develop completely new administrative systems to cover the 40 percent of the population living in the formerly "illegal" squatter areas.

Besides the administrative pressures this placed on an understaffed bureaucracy, the squatter areas also created strong political pressures due to the active role of the two major parties (and later UNIP after Zambia became a one-party democracy). As in many other countries, the policy of the local party organization was to obtain as many services as possible for the squatter areas from an unwilling government. Although the party structure was of considerable assistance in mobilizing popular participation in planning and implementation, it created considerable opposition to the integration of the areas into the normal administrative structure of the City Council. The attempt to integrate the areas more closely into the LCC through the creation of Ward Development Committees in fact had to be largely abandoned due to the much more effective organization of

the UNIP local party organization. Similarly, the local party organization has often opposed the use of stronger sanctions, such as cutting off water, or evictions, to improve the cost recovery performance.

Cost recovery also illustrates the general point that the Project was expected to develop more effective administrative systems than other local government programs. Most public housing and service programs have very poor cost recovery records. In 1979 it was estimated that the seven largest local authorities had a total deficit of 28 million Kwacha on their housing accounts.³ The reasons for the deficit are a combination of poor administration combined with opposition to the use of sanctions to enforce payment. The fact that the central government is often one of the worst defaulters complicates the situation even further. This poor recovery performance has created a widespread belief that high defaults are inevitable for housing programs and hence made it even more difficult to encourage the use of sanctions in the present Project. In evaluating the poor cost recovery performance of the Project, it is important to keep in mind that its record is much better than that of many other LCC housing programs.

The issue of land acquisition is a further example of the administrative tasks facing the Project. One of the major political and economic reforms of the new regime was the elimination of freehold land and the limitation of land value to its unexhausted productive capacity. Although it was as-

³E.J.F. Lynch, "Zambian Local Government Finance," Report prepared for the World Bank, 1980.

sumed that the increased regulatory power of the government would greatly facilitate the process of land acquisition, most of the new legislation was still untested at the time the project began. In fact, land acquisition proved to be the most difficult problem facing project implementation, and in some cases caused delays of more than two years in some phases of the project. Although in hindsight it is possible to show how the process could have been speeded up, the delays were due in large part to the newness of the legislation and the inexperience of HPU with how it would be applied.⁴ The land issue also illustrates the way in which the administrative development of the project was affected by wider ideological issues. Part of the new legislation was designed to eliminate "landlordism" and the exploitation of the rental value of land. The discouragement of renting removed one of the main incentives a family might have for investing in house improvements. In addition, the declaration that land had no sale value made many people argue for large plot sizes (as there was no apparent extra cost involved), and tended to overlook the effects of large plot sizes on the cost of providing services.

Criteria for Evaluating the Project

It is against this background of political, economic, and administrative factors that the Project must be evaluated. It is clear from the

⁴The importance of these factors should not make us overlook the effect of the bureaucratic delays which prolonged the process even further. A more detailed discussion of these bureaucratic delays is provided in Bish Sanyal, Nelson Valverde and Michael Bamberger, *op. cit.*, Chapter V.

previous discussion that the success of the project cannot be evaluated simply in terms of the number of houses which have been built or improved (although this is of course important). An equally important goal was to develop institutional and management structures which can ensure successful project maintenance. On a broader level, the project must also be evaluated in terms of its impact on national development policies and the general attitudes toward the provision of shelter and related services to the urban poor.

These issues are addressed under the broad headings of Design and Organization, Efficiency of Project Operations, and Project Impact.

Project Design and Organization Project Design

The decision to locate the first project in Lusaka seems to have been appropriate. This simplified organizational arrangements undoubtedly enhanced the project's demonstration of new design and policy principles, although it had the disadvantage of continuing the tendency to attract investments to the capital, contrary to the official policy of decentralization.

The *upgrading of existing squatter settlements* was one of the most dramatic departures from the practice of established housing policy. The incorporation of the major squatter areas of George, Chawama, Chaisa, and Chipata, covering among them about 60 percent of the squatter population, meant that the project responded on a scale sufficient to make an impact on the overall squatter problem. In total, almost 20,000 dwellings were ser-

viced and provision for a further 7,000 families was made in the adjacent overspill areas. The areas were well located geographically for the kinds of changes the project involved and families in them had sufficiently stable employment to enable them to invest in house improvements.

The *sites-and-services component* with its provision of 3,600 serviced plots was an effective complement to the upgrading as it was able to offer new housing to families of slightly higher income groups but who did not have access to public housing programs. The sites-and-services model proved flexible enough to be able to cater to a wide range of families.

The *building material loans* proved to be a crucial factor in ensuring house consolidation. Most families had only limited access to credit and without access to these loans the rate of house construction would have been greatly reduced. The distribution of materials through a *material store* within the project area had the advantage that families had easy access to materials, an important factor in Zambia where materials are scarce. The weakness of the material stores is that they may have encouraged families to buy expensive, high-quality materials rather than to use self-made materials or acquire cheaper traditional materials.

Considerable debate was occasioned by the question of the *appropriate plot size*. The World Bank representatives stressed the effect of larger plot sizes on the cost of introducing services, while many government planners felt that plot sizes should be maximal to allow space for gardening and other activities. It was found that

satisfaction with plot size was high in overspill areas (even when sizes had to be reduced below the specified 210 square meters due to increased demand), and in sites-and-services projects where families received an average of 325 square meters. In both cases, over 90 percent of families were satisfied.

The basic floor plan for project housing called for the construction of two rooms and a kitchen, with an average floor area of 25.7 square meters, a layout that seems to have satisfied the majority of project beneficiaries, as over 80 percent have built within its limits.

Primary Infrastructure

The majority of families were satisfied, at least in the short-run, with communal *piped water* and *individual pit latrines*, although in both cases there was interest in an eventual upgrading of these services. On the other hand, there was widespread dissatisfaction with the small number of *street lights* and their low intensity. Dissatisfaction was also expressed over the *garbage collection*. Part of the problem related to the manner of operation of the collection service. However, some of the difficulties were due to the design of the road network which did not permit trucks to reach all areas of the community. It is not clear whether the solution should have been to build more roads or to use a simpler collection technology such as hand-carts.

Project Organization

The establishment of the HPU as an independent unit, but under the

Lusaka City Council (as it was called then) has worked well. The independent status of the HPU permitted greater managerial flexibility and avoided many of the constraints inherent in the LCC committee system. At the same time, establishing HPU as part of the LCC (rather than under the National Housing Authority), permitted closer coordination and eventual integration. Concern was expressed that the HPU would become too isolated and that it would be difficult to integrate the project into the normal government structures after completion of the capital project. Problems, such as cost recovery, do not seem to be due to the independent structure of HPU, although this may have contributed partially to problems of project maintenance. The HPU is in the process of successful integration into the peri-urban section of the LUDC and many of the innovative practices are being continued. Most Zambian staff have been transferring to the LUDC, taking with them many of the new organizational concepts.

The concept of a management team, with its interdisciplinary approach, has proved to be a very effective organization scheme, ensuring that a wide range of viewpoints, both social and technical, were taken into account in project implementation. This approach seems to have been more efficient than the traditional segregation of activities where they are coordinated only sporadically. The field team approach seemed to work equally well, being an effective link between management and community, although making frequent management visits to project sites seem unnecessary.

Grassroots participation in planning

and implementation was a high priority objective in the view of the Zambian government and observers consider the very high level of community participation achieved by the Project to have been one of its most successful aspects. An indicator of this success was the case of convincing almost 8,000 families to leave their homes and move to overspill areas where they would build new houses at their own expense. Very little resistance accompanied this transition, even in settlements with a history of social and political unrest. Good relations with the community were further evidenced by the effective community Road Planning Committees. Many of them have worked so well that the groups involved spontaneously decided to maintain themselves as community organizations after their initial functions were fulfilled. Although community participation is important, it is not sufficient in itself as is shown by recent projects in which families have resisted moving to overspill areas unless they were offered material loans.

Efficiency Of Project Operations

Although the physical design of the Project was good and both affordable and acceptable to the target group, there was a delay of almost four years in the physical implementation (see Table 1). Although almost all of the infrastructure and plot development were completed by 1981, the delays produced a cost overrun of 25 percent with the result that most of the community facilities (schools, clinics, markets, and community centers) could not be financed under the Project.⁵ As a result of the delays

⁵Most of these facilities will eventually be installed but as the result of a separately financed project.

about half of the overspill plots and two thirds of the sites and service plots had not been completely developed (March 1981) and the number of material loans given out in upgrading areas had to be reduced.

The major delay was caused by the unexpectedly complex process of *land acquisition*.⁶ It had been assumed in the Appraisal Report that the acquisition process could be completed in a period of 12 months and that all land would be acquired by the end of 1975. In fact, the process in some cases took almost four years and resulted in serious delays in many aspects of the Project. The delays were due to the combined effects of inexperience with the new land legislation, shortage of professional staff required for land surveying and valuation, low-priority given to the Project by the Lands Office, the large number of separate pieces of land to be acquired, and the delaying effects of community participation in the decisions about which land to acquire.

Selection of Participants for Sites and Services Projects

Despite considerable delays due to the greater than expected number of applicants, and the need to continually redefine the upper income limit for the plots reserved for low-income families, the selection procedures seemed to work very equitably. The use of the points system, designed to give priority to families with the worst present living conditions, worked well, and the selection pro-

⁶For a more detailed discussion of the process of land acquisition, see Sanyal, Valverde, and Bamberger, *op. cit.*, Chapter V.

Table 1. Comparison of Objectives and Achievements
as of March 1981

	Objective	Achievement
Physical Implementation		
Infrastructure	100% at 12/77	98%
Provision of communal standpipe, roads and security lighting	17,700 families	19,916
Plots in overspill		
Plots developed	7,000 at 12/76	7,775
Plots allocated	7,000 at 12/76	5,500
Plots in Sites and Services		
Developed	4,601	3,664
Allocated	4,601	2,588
Community facilities		
Schools	20	8
Clinics/health centers	3	0
Markets	17	6
Community centers	17	7
Socioeconomic Improvement		
Allocation of sites and services plots to the target groups:		
Families earning less than K70 (50%)	2,170	484
Families earning less than K300		2,240
Families earning more than K300		174
Core units erected:		
Overspill areas	7,588	3,817
Sites and services	4,339	1,230
Building material loans:		
Upgrading (No. of loans)		1,678
Overspill areas		5,081
Sites and services		2,392
Total No. of Loans	28,851	9,151
Value of Loans	K 5,609,000 (US\$ 8,728,000)	K 2,874,000 (US\$ 4,081,080)

Source: Urban Projects Supervision Report, March 1981.

cess was free from many of the political pressures observed in other projects. Despite the delays, the projects were accessible to the target group. It was estimated that 58 percent of selected families from Lilanda, a typical sites-and-services project, came from the bottom 30 percent of the income distribution, while even in

Matero, a more expensive project, 36 percent of families came from the lowest 30 percent of the income distribution.

Despite initial problems with screening procedures and the design of application forms, the operation of the selection system has considerably im-

proved over the years, and has been working well for the most recent sites.

Community Involvement in Planning and Implementation

The project design attached great importance to community participation in all stages of planning and implementation, and invested considerable resources to this end. It is difficult to systematically evaluate the costs and benefits of this effort; however, a few key indicators suggested by the research will be mentioned here.

First, community involvement seems to have minimized opposition to the Project in squatter areas that were traditionally centers of unrest, and the site of many riots. The potentially disruptive nature of the Project and its displacement of many families to overspill areas meant that it ran the risk of meeting active community opposition. However, such opposition was rarely seen, and the whole movement to overspill areas proceeded smoothly.

Second, a high level of genuine community participation at the planning stage, particularly in Road Planning Committees, resulted in modifications in the planning and layout of the roads. Many of the original Road Committees have since taken over other decision-making functions and continue to play an active part in community life.

Mutual help construction projects appear to have been less successful. There have been several cases where considerable sums were earned by the community and used to build com-

munity facilities, such as clinics. But in most cases, community involvement did not facilitate the execution of small projects.

An area where a more considered commitment should have been made to community involvement was that of ensuring monthly payment of service charges. The community was involved only at a late stage, when problems had already arisen. Closer cooperation between local politicians and project administrators might have eliminated these difficulties.

Use of Self-Help in Housing Construction and Upgrading

The original intent of the Project was that families would do most of the house construction themselves. It was assumed that a large pool of surplus labor existed, and that participants' potential earning power was low. In fact, with the exception of upgrading projects, where the amount of physical work is minimal, most families hired labor to carry out at least part of the construction work. Participants commonly act as their own contractors, directly hiring and supervising workers, rather than subcontracting the whole process to a commercial contractor.

There are several reasons for the general use of hired labors. First, unemployment is low enough that most people have employment constraints on their time. Second, many families knew they did not possess the skills to construct their entire house by themselves. Finally, the HPU created an incentive to hire labor by encouraging families to move into their new dwellings as quickly as possible.

Although initially considered a weakness of the project, the extensive use of hired labor became a positive factor, generating a substantial demand for labor and producing substantial income for small building contractors.

Material Supply Stores and Material Loans

Studies conducted in 1977 identified various problems with the operation of the material stores. Families had to wait several hours on each visit, there was insufficient staff during peak hours, staff was not well briefed, the transport for delivering materials to families was inadequate, and materials were often in short supply. Due to these problems and the lack of publicity, a high proportion of families initially did not apply for materials.

After the recommendations made in these studies were put into practice, the service improved considerably. Staff was reorganized and better briefed, invoices were prepared more rapidly, and the delivery of materials was rationalized. Theft has remained a problem with an estimated two percent of materials being stolen.

Despite the administrative problems, the material loan program has been a key part of the house construction process as most families do not have access to any alternative sources of funding. This is shown by the sharp decline in construction once the loan is exhausted. Due to rising construction costs and the unexpectedly high demand for loans, it was necessary to suspend loans to upgrading areas so as to ensure a sufficient supply of funds for families constructing new houses in overspill areas.

Although the loan program was in general successful, a number of weaknesses can be identified. First, it was assumed that most families would use self-made sundried bricks or solid cement blocks. In fact, most families bought blocks from the store resulting in inadequate and insufficient loan amounts. Second, there was the possibility that the store, by only stocking high quality materials, might have encouraged families to use more expensive materials than they might otherwise have done. Third, there were some miscalculations of the types of materials families would want so there were considerable surpluses of certain types of materials (toilets, for example) when the Project ended.

House Construction and Consolidation

Despite the lack of experience among project participants and even staff, rising costs, unstable incomes, and continual shortages of materials, the house construction program progressed smoothly. As of March 1981, approximately 7,800 houses have been built in the overspill areas. This figure is impressive in light of the previous history of house construction in Lusaka.

The construction of a new house has taken on average two months time, at a cost of about 600 Kwacha (compared with 6,000 Kwacha for the cheapest contractor-built public housing). Including the average of one month in which families lived in temporary shelter before beginning construction of the regular house, the whole process of moving from an original dwelling to a new house took only about three months. The

speed, economy, and smoothness of this transition were truly impressive compared with the results of most slum clearance programs.

One component that did not operate well was the use of self-made materials. It was expected that extensive use would be made of soil and cement blocks produced by families themselves. Such activity was expected to contribute to a reduction of costs. In fact, very few families made their own blocks. Most preferred to buy more expensive ready-made elements from the material store in the project site. In some cases, this preference was due to problems with the production and quality of blocks people attempted to make. More often, it was the result of pressure to complete houses as rapidly as possible, and of the fact that families had less time available for block-making than had been estimated. In any case, many preferred to pay more and be sure of better quality, and a more permanent house. Another factor was that the additional cost of higher quality blocks can often be recouped through higher rents. Thus the use of relatively expensive ready-made bricks does not seem to have resulted in affordability problems.

Affordability and Cost Recovery

Income distribution data for Zambia is not reliable. Studies were conducted in a typical upgrading project (George), a normal sites-and-services project (Lilanda), and a more expensive sites-and-services project (Matero). When the income distributions of families in each project were compared with the best available estimates for Lusaka, it was estimated that 70 percent of families in George

come from the bottom 30 percent of the Lusaka income distribution. In Lilanda, the proportion was 55 percent and in Matero, which caters to a slightly higher income group, there were still 30 percent of families drawn from the bottom 30 percent. These figures show first of all that the upgrading and normal sites-and-services projects are accessible to the lowest income groups, and, secondly, that each project caters primarily to a different sector of the income spectrum so that among the three types of programs they offer attractive options to all of the lowest 50-60 percent of the city income distribution.

Although the Project is accessible to the lowest income groups, one of the major problems encountered has been the poor performance on cost recovery. In March 1980, 99 percent of families in Chawama (upgrading) were in arrears of more than one month with service charges, with 13 percent in arrears of over one year. In George, 62 percent were in arrears. The situation was even worse for loan repayment with 63 percent of families in Chawama and 38 percent in George in arrears of more than one year. The situation was better in the sites-and-services areas where over 60 percent of families were up-to-date with service payments in three of the four projects.

Originally, it had been assumed that high default rates were due to families' inability to pay, but a more careful analysis suggests that this is not the case. Studies showed that many of the defaulters had been paying much higher monthly rents before entering the project. The difference was that previously they had a private landlord who would evict them if they did not pay. The

main problems seem to relate to a lack of will to collect the money and to difficulties in establishing effective collection mechanisms. The attempts to use group pressure and political influence to encourage payment have not been effective and in many cases have had the opposite effect. Politicians have more incentive to intervene on behalf of families to exempt them from payments than they have to lose popularity by pressuring the families to pay. Cost recovery continues to be a serious problem and affects the ability of the projects to demonstrate their economic viability to public authorities in other cities who might wish to adopt similar programs. The high default rates have also seriously affected the provision of services as the council does not have the financial resources to maintain services such as garbage collection.

Project Impact

Impact on Families and the Community

Zambian government planners expressed concern that the Project might have the negative effect of encouraging economically marginal groups to continue living in the city, attracting migrants from rural areas, and adding potential slums to the city's already inadequate housing stock. All available data run counter to these concerns. Most project beneficiaries had lived in Lusaka a long time before it was begun, and their main reason for moving to Lusaka, was a search for better employment. Almost no one cited better housing as factor in the decision to migrate. Project areas are economically very dynamic, with low levels of unem-

ployment and an occupational distribution similar to that in other areas of the city.

The Project has produced considerable improvement in the quality of housing and in access to basic urban services. Improved roads appear to have increased the volume of travel from such areas as George and Chawama to Lusaka. Small businesses now find it easier to be supplied with goods that are in demand because delivery vehicles have better access. An increasing number of employers are willing to provide transport for their employees now that access is easier.

Impact on Businesses

It was expected that the projects would generate income and employment both directly, through the provision of sites for light industry, and indirectly through the generation of demand for labor during the house construction process. The provision of plots for small industries overestimated the demand. Out of 100 commercial plots advertised in Chawama, George, and Matero, there had been only 31 approved applications, as of March 1979. Of these, only ten had completed their structures, with 13 more in the process of building.

There are apparently several reasons for the low rate of response to this program. The lack of business loans meant that business persons had to rely on their own resources or solicit outside loans. The high building standards set by the HPU and the Lusaka City Council also discouraged many businesses. Many plot locations were remote and lacking

transport facilities to bring goods and customers to them. Finally, it seems that advertisements were not sufficiently detailed to explain to interested business persons exactly what was being offered.

One type of business that has flourished is the market. The question arises whether it was necessary to include the provision of markets in the Project. Studies show that markets have evolved spontaneously, without Project assistance, and that they constitute another area where costs might have been avoided without jeopardy to the economic activity within project communities.

Impact on Employment

Although specific employment generation components of the project have had limited success, a substantial amount of employment and income were generated by the hiring of labor during house construction and upgrading. In the sites-and-services projects, more than 85 percent of families hired labor, and even in upgrading areas, over a quarter of the families used some hired labor. It is estimated that the total project generated a demand for approximately 8,000 man-months of labor, and resulted in over US\$1 million of income to labor.

There is also evidence that rental income has increased within projects, to the benefit of those poorer families who may get up to 25 percent of their total household income by subletting a part of their house. Many families' food expenses may also have declined at the same time because of the widespread cultivation of gardens within the project communities.

Project Impact on the City of Lusaka

The Project has made a direct physical impact on the city by producing 11,500 new housing units and upgrading the services enjoyed by a further 20,000 families, so that in total the project has improved the living conditions of over 31,000 families. By a reasonably conservative estimate, about 15 million Kwacha has been added to the value of the housing stock as a result of the Project.

The Project has had an important effect on the city's social fabric by locating project sites near middle- and upper-class areas. Within the projects themselves, social segregation based on income is also breaking down, as families with a wide range of incomes cooperate in matters of common interest.

It was intended that the projects should produce a revenue surplus for the Lusaka City Council, but due to the default rates on loan service payments, it has so far been a financial strain on the Council. Despite problems thus far, if cost recovery were to improve, the projects could become a potential source of revenue for the City Council. The legalization of the squatter settlements has greatly increased the potential tax base for the City Council, something that will be of long-range financial benefit.

The Project has also created the need and the conditions for more dynamic urban management. Because of their size, the city has been forced to approach the management of the projects in a highly systematic way. The current efforts being made to improve cost recovery are an indication of the Project's impact on city management.

Even in sectors of the city other than the project sites, the Project's impact on transport is seen. The increased demand for transport has outstripped the capacity of the public transport authorities and is thus encouraging activity in the private transport businesses.

Finally, the Project can be said to have raised the level of political participation in communities without raising political tension. Increased grassroots participation in decision-making has had important effects on the organization of the Party and on the way politicians understand their roles. The Project has also made officials aware of the squatters as a political force, increasing the influence of these communities in local and national politics.

Impact on Housing Policy

The potential project impact on national housing policy is difficult to evaluate because until now there has not been a coherent policy. Instead the approach has been based on reactive planning in which specific problems are tackled as they arise.

However, there has been a wide acceptance that the Project has demonstrated the validity of new approaches to housing and that these should be applied in future projects. Many aspects of the Project are being applied in the Kalingalinga project which is being supported by the West German government, and the National Housing Authority has expressed its intention to incorporate many aspects of the project design into its future programs.

The Project has also caused policy makers to review some of the equity issues implicit in present housing subsidy policies. While most public and parastatal employees enjoy considerable housing subsidies, the low-income families served by the Project are required to repay the complete cost of the service they receive. The results of a study on housing subsidies, conducted at the request of the Provincial and Local Government Administration, are currently being reviewed.⁷

⁷Hinh, Sanyal, Valverde and Bamberger, "Housing Subsidies in the Public Sector in Zambia," Urban and Regional Report No. 81-6, Urban and Regional Economics Division, The World Bank, May 1981.