

World Economic Crisis and its Impacts: An Account for Sustainable Urban Housing Development and Governance in Sub-Saharan African Cities

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Abstract

The World Economic Crisis of 2008 had affected urban housing development systems, governance and growth in Sub-Saharan African Cities. Particular contribution in this paper focuses on documenting physical housing development system in urban space in view to housing construction processes, quality and material price volatility and households' poverty, space use and life style changes resulted from the crisis. It assesses and provides evidence based from Moshi City in Tanzania as one of the rapidly urbanizing human settlement in the region. This paper also highlights the policy, legal frameworks, its enforcement and practical reflections in sustainable housing development. The question is what takehome message to be learned by different actors interested with urban development and growth systems on housing development and changes. However, housing governance in the context of world economic crisis occurred in 2008 and beyond for sustainable urban development are described for experience sharing. Likely, roles of different actors, impacts of the crisis are discussed which pave the way for consolidated viable strategic options for improvement in Sub-Saharan Africa cities, Moshi in Tanzania inclusive described.

Keywords: "Economic Crisis, Housing Development, Livelihoods, Resource Poor Resident and Sub-Saharan Africa Cities"

1.0 INTRODUCTION

The world economic crisis began in 2007, in the wake of financial and real estate speculation in the United States, but it came after a long period of international financial instability trade imbalances and several local or regional economic crises (Peiris 2009). By late 2008, the economic crisis had spread too in many countries of the world, Tanzania inclusive. However, the root causes of the world economic crisis appear to be complex and require a multitude of actors and economic approaches to redress. Among the causes established by different scholars include consequences of the food crisis, continued instability in fuel prices, complexities associated with increased globalization, constraints in access to financing (Peiris 2009). Other factors were failure of regulatory and early economic warning systems and the challenges posed by climatic change (OECD 2009).

Developing countries governments has been faced with increasing informal housing development in her cities. The increase observed resulted from increasing population with limited serviced and planned land for housing development. However, poor policy enforcement, outdated laws, inadequate capacity of local authorities to provide planned and serviced land widely discussed as among influencing factors (Christian, 1995; Kombe, 1995; Kreibich et al, 2002). Topfer, (2002) observes access to housing is a basic human right that should be available to all individuals. This is the reality, in which Countries in Africa, most cities account to have about 70 percent of city residents in unplanned and unserviced settlements and thus informal housing is an apparent feature. In fact majority of housing for the middle and low-income groups is and will continue to be provided through the individual effort of people to develop their own housing. Social capital and networking through community participation and mutual understanding pronounced to be important for exploring housing provisioning for city development and conflict resolution (Pascal, 2002; Pretty et al, 2001).

Sub-Saharan African Countries, Tanzania inclusive had experienced negative consequences of the world economic downturn of 2008. Kamau (2002) accentuates that a huge shortfall in housing provision means that the role of the individual housing development will continue to rise in developing countries cities. This shows that owner-occupier housing ought to be given high priority in policymaking and decision, one economic crisis occurs to safeguard housing construction habits and change in urban areas. Other impacts in Tanzania as case include price of commodities fallen down, also the country noticed a decline in the demand for exports in the same year and the next two years. For example, the price of cotton, which is one of the major traditional exports have dropped from US cents 82 per pound between March and July 2008 to US cents 45 per pound in March 2009. The tourist arrivals especially at Mt. Kilimanjaro declined, this goes together with the witness of withdrawal or postponement of investment commitment made earlier. Among such examples are the

postponement to later dates of US dollar 3.5 billion investments in aluminum smelting and a rescheduled US dollar 165 million nickel mining and extraction project. These are among the notable effect of the world economic crisis to Tanzania economy over 2008/2009 (President Kikwete, 2009). The current crisis has seriously undermined the development prospects of many vulnerable countries and the poor in different aspects of financial institutions including Banks, which prices of stock slumped down and there has been an unprecedented decline in economic activities and mortgage provisions for housing development.

The dramatic changes of building materials in Moshi Municipality had affected both the housing construction and the urban environmental. People during the economic crisis seem opting cheap building materials including mining bricks from stones as well as soil motor in their construction. In these regards, uncontrolled environmental degradation becomes a common feature in the city resources use and degradation as well as the need, supply and demand of housing augmented while the financing systems were limited (Plate 1). Thus, the gap between the supply and demand for housing has been widening with time. This can be traced back from the slum clearance, site and services and squatter upgrading in Tanzania since independence in 1961

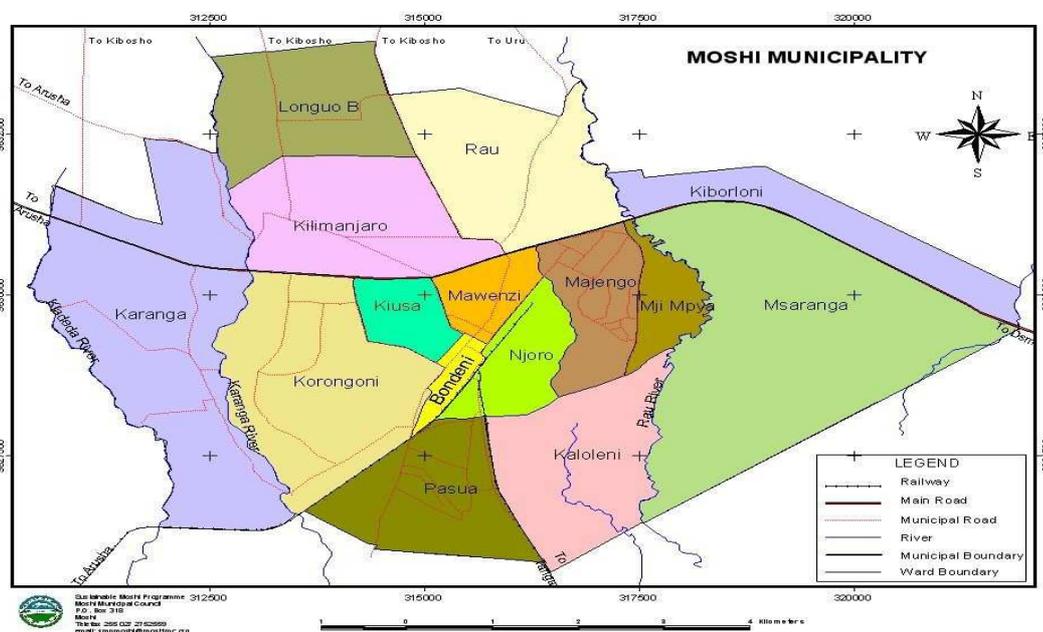
2.0 APPROACH TO ASSESS THE EVIDENCE

2.1 Case study description and selection criteria

This study was carried out in Moshi Municipality. The Municipality is located on the fertile land in Southern part along the slope of Mt. Kilimanjaro. It lies at an altitude of 950 meters above sea level in the North to 700 meters above sea level in the South in Kilimanjaro region. The Municipality occupies a total areas amounting to 58 square kilometer. The mean annual temperature is 25 degree Celsius, and the coldest month being July with an average of 17 degree Celsius and the warmest month is December with an average of 34 degree Celsius.

The Municipality is virtually divided into 15 smaller administrative wards of Bondeni, Kaloleni, Karanga, Kiboroloni, Kilimanjaro, Kiusa, Korongoni, Longuo, Majengo, Mawenzi, Mji Mpya, Msaranga, Njoro, Pasua and Rau (Figure 1). According to the 2002 Human Settlement and Population census report, the Municipal population merited to 143,799, which was 10.4% of the regional population (1,376,702). The growth rate is 2.8% per annum (Moshi Municipality, 2008). However, being the grown-up Municipal council in Tanzania, with all the institutions and authorities the housing development control, and building materials price increases and its impact to life of urbanities and the urban ecosystems was a direction of this paper. The tremendously rise in the price of building materials have noted not only in Kilimanjaro Region but the whole Tanzania.

Figure 1: Study setting administrative locations in Moshi Municipality-Tanzania



Moshi Municipality as a Case study different institution with interest in housing development or those affected with the sector was identified and becomes respondents. These includes but not limited to National Housing Corporation (NHC-Moshi Branch), Tanzania Building Agency (TBA-Regional Office), Moshi Municipal Council (Department of Town Planning and Environment and Department of Works and Fire). Others include land owners holding Housing in the Municipality.

2.2 Data Collection

During the data collection both structured and semi-structured interview methods deployed. These were administered using open-ended questionnaire. The other methods that were used during data collection include reviewing the Moshi Municipality Master Plan. This helps to convey the message towards understanding the trends of housing development in the city and the impacts of underlying economic crisis. House owners and tenants were selected and interviewed to narrate the effects of the world economic crisis to housing construction and changes of the life style of people in the city. The data were analyzed using both qualitative and quantitative tools. These include qualitative nature outcomes which derived from the qualitative analysis. The later establish the extent and magnitude of the problems where frequency and percentage were used to qualify the data.

3.0 RESULTS AND DISCUSSION

3.1 Practise, Policy, and legislative framework in housing development

Tanzania has been coordinating and controlling urban land development by the use of Master plan approach. Under this approach, 1992 Moshi Master Plan was drawn. It should be noted that Master Plan was prepared without taking into account landholders views, preference and inputs. The 1992 plan proposal for Moshi by then township was not implemented at the time and this observed by lack of finance among other factors. The interviews with Local government leaders-Urban Planning section revealed that majority of landholders were not even aware of the existence of such a plan. Many poor resource residents in the city continued to subdivide their land for sale without regards to the 1992 master plan proposal. Thus, the world economic crisis of 2008 enhanced informal housing development due to increased tied capital and inaccessibility to housing finance in financial institutions. The main policy governing housing provisioning and land development include

- Homeownership policy of 1982
- Town and Country Planning Ordinance of 1956 revised in 1961
- Land Act of 1999
- Human Settlement Development Policy of 2000 and
- Housing Development Programme of 2003-2013.

Homeownership Policy of 1982

Since independence to earlier 1990, the government strategy for housing provision has based on the government action as provider and not a facilitator. With this respect different institutions formulated including National Housing Construction (NHC), which used to construct house and rent to government officials. The houses were provided especially to government officials and low income outside the formal employment left out. The group observed struggled to have land for their own house construction and therefore enhances informal housing proliferation. The changing of the policy to encourage homeownership houses encourages people to have their own houses. The government planning system seems failing to provide planned and serviced land to guide housing development. This observed resulted in inadequate financial capacity of local authorities to provide the service. Thus, housing themselves character dominated in the city.

Town and Country Planning Ordinance of 1956 Revised in 1961

Town and Country Planning Ordinance of 1956, provides potential environment for housing development. It is ruled by, zoning regulation differentiating land use using -low, middle and high densities from other uses including industrial. Low-density zone (200-160) medium (600-1200) and high density (200-800m²) proposed. The practice in the case shows only 35% of Land were planned and serviced while the rest were not. This limited community growth process and enhance land vulnerability to majority (65%) of landholders in the case study in terms of exposing to diseases and financial institutions benefits.

Land Act of 1999

Land Act of 1999 provides settlement in housing improvement in informal settlement through land regularisation strategy (Sect. 56-60) section 57 (2)(a-i) The key pre-request for informal settlement to involve in land regularization includes;

- The area should substantially built,
- The area should lacks apparent lawful title of its residents,
- Land is occupied under customary,
- The area is ripe for development,
- Landholders have lived in the area for substantial period of time
- Existence of a substantial number of residents who have invested in their houses.

Housing Development Policy of 2000

According to human settlement, it encourages also housing improvement and provision through coordinated and participatory approach. It encourages private sector and financial sectors in the country to assist rural community in housing construction. However, attempts have made by NHC and other sectors including National Social Security Funds (NSSF) for build and transfer modalities. However, houses constructed seem to be more expensive for urban poor to afford i.e. approximated 10,000 USD, which is difficult for an urban poor spending

less than 1 dollar to afford. Thus, it has observed majority of these houses acquired by high income living in the city and left the poor constructing their own houses using tied capital in informal land areas.

Housing provision observed to be a n income generating activities and a social and economic asset for enhancing community growth process, reducing vulnerability and therefore help to contribute to National strategy for poverty reduction. However, in this regards planning and human settlements including housing improvement through land regularisation put in place as a poverty reduction strategy for public building development. The strategy therefore requires increase availability of serviced plots, public-private partnership in the provision of low cost, high-quality solid services emphasizing provision to vulnerable groups and design and construction of new public building are passable and accessible to people with disabilities.

3.2 Housing development in Moshi Municipality

Moshi Municipality in Tanzania like any other human settlements in the World has been experiencing poor housing development control, mushrooming of informal settlements and haphazard housing development. Financial inaccessibility to majority of the poor from financial institutions depicts an increasing housing fragmentation in city. The city also experiences an increase of unfinished and unoccupied buildings and therefore creates unsafe city, which caused by untied capital one seeks to construct a house and later becomes to finish the building on time or totally. The study shows that Moshi Municipality consists of both planned and unplanned settlements. The 1995 Moshi Municipality Master Plan review team indicated that 30% of the total area devoted to housing (8.74 km square out of 29.12 km square) is in planned areas, while 70% (20.38 km square) is in unplanned areas. There are 18,200 houses out of which 9,300 have been constructed in planned areas and 8,900 have been constructed in unplanned areas by August 2013.

3.3 House Construction Processes

After acquiring the plot for house construction, house development is initiated and financed by the individual housing developer and is built by a small contractor called fundi despite the fact that some of houses look like those in planned areas only isolated houses undergone architectural processes. Most of the houses have been constructed basing on the experiences of the small contractors “mafundi” and on the desire of individual housing developer. This study shows that 92% of residents are constructing their housed from personal savings and small business, 5% constructed after their owners paid pension funds, 3% of the house were constructed after getting loans from their employer. The proportion of owner occupation shows that the tendency to build houses becomes higher. In the study area the construction of houses take a combination of means one of them being of “building while saving” because the construction of the house usually takes an incremental approach and is built over long periods of time. Sometimes, individual housing developers move into incomplete houses and continue the development process slowly depending on the availability of finance. There are two approaches being adapted by the individual housing developers in house construction these are incremental and non incremental approaches.

Incremental development often takes a horizontal form in that construction starts at a foundation level and continues in stages to roofing and finishes, even if it takes a long period of time. Incremental development also includes lateral development, which entails construction of a core unit. From the study it was found that 93 (77.5%) respondents adopted the incremental approach in their house construction. Sometimes, individual housing developers move into incomplete houses and continue with the development process slowly depending on the availability of finance. The motive for such a mode of housing ranges from the urge to own a house, on the one hand, to the underlying basic problem of lack of adequate housing on the other. Lack of adequate housing has led to high rent charges for available housing and has been a key driving factor for the need to develop individual housing.

Occupying incomplete house with the hope that development process would continue, this situation do take a long period of time particularly for the low income group whose life depend much on their unstable informal sector from which meagre amounts are saved for house construction after other necessary needs being met. Housing development in any system include resources like finance, building materials, labour, technology, land, and time. All these resources are essential in the sense that in the absence of any one of them, the development of houses cannot take place. The period of house construction varies with income of the individual housing developers and economic climate. In most cases construction in this process is done in phases. The phasing of construction by the low income housing developers differs from that of high income housing developers. Low income housing developers build to meet their immediate accommodation needs. Most of low income housing developers start with the most essential space needs, a room or two, while high-income housing developers build for future accommodation needs especially those ones who are provided accommodation by their employers. As a result, high income people phase their projects on differently starting with foundation, walls and roofs for the whole house.

On the other hand, non-incremental development starts with the whole foundation, walling and lastly roofing. Unlike incremental development, non-incremental development does take construction in phasing. This kind of

development is mostly used by the high and some of medium income housing developers while majority of the low income category like incremental development. In most cases, low income housing developers who use non incremental approach have proved failure. Results from the findings show that buildings remain unfinished for a long time for them this does not solve their immediate need for housing. From the study it was found that (22.5%) respondents adopted non incremental approach in their house construction. The two below plates of photographs present the two houses constructed with non incremental approach, one looks with different layers of the wall this show that this approach for low income housing developers does not solve the immediate problem of needing shelter.

The percentages of the occupied houses in Moshi, majority of individual housing developers about 77.5% occupied their unfinished (uncompleted) houses this category belong to incremental approach and about 22.5% of individual housing developers occupied their houses when they were completely finished. The study observes among other funds for financing housing is not from conventional financial institutions but from own savings over a long time from meager salaries and income from petty and small enterprises, and loans from friends and relatives. This has led to the result that house construction is carried out slowly over a number of years. Sometimes construction is undertaken when funds are available, and when fund are not available construction stops and can only be resumed when another injection of funds becomes available. The situation that has made majority of individual housing developers to occupy or let out their houses as soon as it is roofed to save on rent or get rental income, which help complete the house. Some houses remain incomplete for many years even when they are occupied. Where a house takes so many years to be completed and occupied, capital invested so far remains idle and therefore non-productive. The opportunity cost of such resources remained idle is quite high in most of the developing countries. This idle resource is manifested in relatively high house prices, which make the house affordability problem even worse.

3.4 Contribution of Different Actors in Sustainable Housing Construction

The study noted different actors playing a big role in city housing development. The remarkable ones and their functions provides finance, building materials, land and infrastructure services, technical services in construction and overall housing development management. The actors include government institutions, the private sector, civil society organizations and donors as follows;

National Housing Corporation (NHC)

NHC is one among the actors involving in housing provision in the city. Its main activity is to construct houses that are constructed and hired to individuals and groups according to their level of income. Build, operate and own is one modalities implemented by the organization. The study shows that NHC normally construct houses that depict different level of affordability and income level of individuals with different renting price. The houses built are hired to different individual in whom they are supposed to pay rent to the NHC.

It was found that the National Housing Corporation (NHC) has 120 houses by the year 2010 for renting. The renting price is determined per meter square. The renting price differs based on the location in the city from the central Business District to the peri-urban zones of the city.

- ◆ Residential renting price rate to Central Building District (CBD) site allocated in town is charged between 10-20 USD per meter square. But for the areas that are peripheral the rate is charged between 5-10 per meter square depending on the nature of the area, safety nets and services provided in the area and the house itself. The central Business centre in Moshi Comprises Kiusa and Mawenzi (Figure 1). The Central Business District comprise the areas with the highest concentration of administrative and commercial activities such as government, banking, import export business, wholesales, hotels and tourism etc. Likely, the area has a very high population density and that is why its residential renting is high compared to other areas in the per-urban areas of the city.
- ◆ Commercial housing renting price rate in the Central Building District (CBD) is charged between 40-70 USD per meter square. And for the commercial site that are allocated at peripheral the rate is between 25-30 USD per meter square.

But in real practice and as the way towards raising the revenue of the government these rates are still low and they are not in the market rates.

Local government authorities

Moshi Municipality is one of the local government authorities under the Prime Minister Office within Regional Administration and Local Government jurisdiction in Tanzania. The Municipality Council has different departments, which are responsible in ensuring that Moshi Town is developed. Among these departments include the department of Environment and Town Planning, which comprises three sections namely Town Planning, Land Surveying and Land valuations. The functions of each department, which among others is to ensure sustainable housing development include;

- ◆ **Town Planners:** This involves in site planning for residential, commercial and industrial sites development and land use planning activities, where site for housing development is among the functions. Other function include control and coordinate housing development
- ◆ **Land surveying:** This involves cadastral surveying. This ensures the urban land is planned and beacons are established and thus, control urban housing development.
- ◆ **Land Valuation.** This among others involves in land allocation especially to the land already surveyed and planned. Also they are responsible for laying down procedures of allocating land to local and national level by ensuring inter-alia that there is transparent in the allocation system.

The study shows that these functions are hardly enforced and implemented in the city. This has resulted increasing perception that there is no government, which control housing development in the city. This characteristic is common to different African cities, where people develop their housing the way they want and think. In developed countries including Germany where lived for a while, the situation is different. For example, building regulation and offering such permit for development is prohibited and only companies can build what proposed. However, in African cities few construction companies exists and if present experiences low capital and face challenges and haphazard building construction in African cities. The price changes also noted to encourage people to build their houses as they can funds, which in most cases are tied capital

Individual Housing Developers

Tanzania has home ownership policy of 1981. This policy among others encourages residents to own houses as part of valuable assets. Principally, little have been done by the government in partnership with other stakeholders to put in place mechanism to control such development, which is a basic necessity of life. In most countries individual housing contributes a big portion of the available housing stock. The study shows that 80% of houses developed in urban areas is constructed with little or no intervention from the public sector (i.e. in the government). This implies that residents in the city normally devote time and other resources in their housing construction. This observed to be a reason why the economic crisis has affected individual liquidity and therefore the housing development in the Municipality.

Media

For a long time media has been exclusively involved in disseminating good practices in housing provision, urban planning practices and other land related practices. The study observed that the media has a valuable potential role in disseminating land development information, facilitating genuine data base and holding the government accountable to its commitments through hardly integrated in urban planning system and therefore housing development campaigns in cities. However, under this situation poverty reduction strategy programme, provided that national conditions allow access to information and freedom of expression, it played also a great role in disseminating the impact of haphazard housing construction and create awareness to local communities on the project and therefore have a vital role to play in reducing land vulnerability and poverty reduction. However increased technical capacity in terms of land management and the need for training the same observed important.

3.5 Price of land in Moshi Municipality according to location

In Moshi Municipality, people access land for housing construction through buying, inheritance and granted right of occupancy. The study showed that 56% of the respondents interviewed are not aware of official procedure requirements for getting land for urban development including housing. This is because they have little contact with government agencies and the English language is used for these policy and legal documents, which are more. For example, planning regulations, standards and administrative procedures are published in English while the majority⁷ of householders and tenants respondents cannot read or speak English (92%) in the city. Only 8% of house owners and tenants' respondents could speak and write English. In this regard use of the Swahili language to communicate these procedures in Tanzania would be preferable.

The granted right of occupancy has built confidence for the householders in terms of housing development in the city. These landholders who are also house owners understand that they are secure in terms of not being evicted by the local authority, or must receive high compensation value in case of eviction or compulsory land acquisition for public interests. 80% Of respondents in this category are aware of the by-laws guiding housing development. The problem facing the city is how to ensure, coordinate and control the type of housing, which is not properly coordinated.

The price of land for housing is determined and tenants' price is influenced by the land marker and locations in the city. Based on urban planning practice, the zoning regulation where we have high, low and medium density are the factors. The study shows that in high density plots with land coverage of (300-599) square meter in Njoro, Pasua, Majengo and some part of Soweto (Figure 1), land is sold at 8000-15,000 USD per plots. The housing rent prices in these areas are 15-30 for residential building privately owned per month.

⁷ These include smallholder farmers in the case study explored and the city as a whole.

Medium density plots of with plot coverage ranging from 600-1000 Square meter in the same area were sold at 20,000 USD and during and after the economic crisis, the same plot is sold between Tsh 35,000USD to 45,000USD per plots. This shows the impact of the economic crisis in land development in the city. Similarly, low density plots with land coverage of 1000-3000 square meter before the 2008 crisis, was sold at 150,000 USD. After the crisis, the price amounted to 200,000 USD. It should be noted that low density plots acquire the large space of land such as Shunt-Town, KCMC and some part of Soweto, which observed to be areas for elite people with economic integrity in the city.

The housing and land price as highlighted appears to be influenced by the forces of demand and supply together with the local authority policy in land demarcation and zoning. The study reveals that Msaranga settlement, which is located near KDC area in the city on the way to Kiboroloni is developing faster. The availability of land and affordable prices has influenced such development. At the beginning in Msaranga area, by the year 2005 plots of one acre was sold at the 300USD and today has rose to 4000USD. However the price of land for the year 2011 seems to be affordable in the area when you compare with other areas in the city.

3.6 Price of Building Materials: A reflection on World economic crisis impacts

The price of building materials in Moshi Municipality have changed over time since the world economic crisis of the year 2008. These among others seem caused by the rise in the cost of production due to increased crude oil prices, which is important ingredient in industry development. This resulted to the rise in the budget to financing different construction project against the budget set by the respective authority for instance the Tanzania Building Agency. This accompanied with rise of the cost of building materials including corrugated iron sheet, cements and blocks overtime (Table 1). The government due unstable economy fails to control such price changes and therefore the poor livelihoods strategies affected much and land degradation (Plate1). The impact associated with these changes is the increase of life cost, crime increase in the city and increased prices of basic materials such as clothes.

The rise of cost of building materials affected the Tanzania Building Agency and other construction industry, who are responsible for housing construction and in the region. Moreover, institutions dealing with housing development in the city argues that, the crisis has resulted to the delay of project completion due to deficit budget of the government to cover the extra cost resulted from the rise in the price of building materials, the situation which required an extra financing to ensure timely completion of the already started project. The following are some of the important building materials and their relative price changes over time, and this is according to the survey done by the investigators from September 2008 and July 2009 (Note 1USD=1500Tshs).

Plate 1: Environmental degradation and loss of livelihoods strategies caused by world economic crisis on the impacts of the need for housing construction



Table 1: Price of building materials for 2008/2009

S/no	Type of Building Materials	Description	Price Change (Tsh)	
			2008	2013
1.	Cement	NIL	12,000	20,000
2.	Iron Bar	8 mm	5,200	6,500
		10mm	8,500	12,000
		12mm	10,000	13,000
		16mm	13,000	15,000
3.	Painting	Weather Guard per 20 litre	80,000	110,000
		Water per 20 litre	16,000	28,000
		Per 4 litre	12,000	13,000
4.	Corrugated Iron Sheet(Gage 28) from Allaf	2m	10,000	14,000
		3m	12,500	17,000
5.	Union Ex.Uk	2 Livers	50,000	60,000
		3 Livers	65,000	80,000
6.	Wood(from Souo Hill-Iringa)	Softwood treated per feet	900-1000	1400
		Hardwood	1,400-1500	2500
7.	Ceiling board	Gypsum board per sheet	8000	13,000
		Chip board 8mm per sheet	14,000	16,000
		Ceiling board 4mm per sheet from Tanzania	5000	7000
		Ceiling board 4mm per sheet from South Africa	7,000	8,000
8.	Fine Aggregate	4.5 cubic meters	80,000	130,000
9.	Course Aggregate	4.5 cubic meters	130,000	180,000
10.	Hard Core	4.5 cubic meters	50,000	100,000
11.	Tiles(Granite in nature)	Wall tiles(best from Italy/Spain) per box	18,000	25,000
		Floor tiles per box	30,000	42,000

Source: Field survey in Moshi Municipality, September 2008-July 2013

The spiral over effects of the world economic crisis affected a lot the price of cement industry in Tanzania as it rises up to Tsh 20,000 being the increase in the demand of cement in South Africa. South Africa imports cement from Tanzania to a large extent. The major claim of the South African investors and importers is that cement from Tanzania is of good quality. Likely, more cement was demanded due to the preparation for the World Cup stadiums, the game which held in June, 2010. But from August, 2009 the price for cement declined to Tsh.12,000/= this is due to the completion of the final preparation of the stadium hence its demand falls and supply rise as the result, decline in its price, that make individual at least afford the price for cement. This also was another driving factor in the rise and fall of the building materials in the country during the crisis.

3.7 Perception of different stakeholders in housing construction and development.

Urbanization process is inevitable in African countries including Tanzania where urbanization process in terms of physical development hardly controlled. The Country has policy and legislation which guide both urban and rural development including investment needs, but these entire fall short if enforcement. The same applies to the housing constructions, where haphazard housing development seems to be a permanent feature in African cities development and growth phenomena. With this trends in housing development and world economic crisis, different perceptions was traced to capture what are the feelings so that can facilitate to design viable strategies for improvement. The remarkable feeling from respondents includes:

- ◆ The process of acquiring a building plot and a building permit takes very long time and in most cases are discouraging housing investment

- ◆ Once landholder wants to develop a house formally, long procedure involved as well as getting a title deed is costly and tiresome.
- ◆ High cost of building materials over time have highly contributed largely to the high cost of housing construction to individuals especially people with low-income. The notable reasons include high cost involving in transportation of different materials used for construction.
- ◆ Availability of land/space for utilization is still a problem in Moshi Municipal this is due to the increase in the demand of land compared to the capacity of land available. It was discussed previously that Moshi Municipality covers an area of 58 square kilometer of land coverage and up to now the population of Moshi Municipality exceeds 153, 799. Also the nature of ownership of land in Moshi is still a problem, there is traditional ownership (Implied deed) where by people own land under customary rights. Residents are not are not ready to offer their lands for public interest. One wonders, how such ownership can be enforced at the sometimes is recognized by land law in the Country.
- ◆ Price of land in Moshi Municipality is high, these have led to the difficulties of individual to obtain land for housing construction or even to a group of people to obtain land for both commercial and residential purposes.
- ◆ The increased land prices in the city shows that fewer residents with economic integrity can afford to buy.
- ◆ There is extremely a low chance for an individual to improve their built environment. Most of the available areas are unplanned as the result outbreak of poor environment management arises due to an individual to construct houses in hazardous area, wet areas and mining sand and stone brick. These practices have resulted to emergency of pollution, especially in areas with high density plots like Pasua, Njoro and Uchira settlements especially during and after the world economic crisis. The only alternative for construction after raised building materials prices is the use of brick stones which found to be affordable and durable.

3.8 Impact of World economic crisis in city life and housing construction

The rise in the cost of building materials does not accompany the rise in the per capita income of an individual, as the result the constant income of an individual is affected by the price changes of different products in the market. Therefore this has led to inability of most people in Moshi Town to engage in housing construction hence its development obstructed.

The increased land prices in the city shows that fewer residents with economic integrity can afford to buy. The low income earners found difficulties to maintain the land and housing in the city, to pay tax as well as increasing income through housing. This seems also to affect city life after the world economic crisis of 2008

The major constraints observed are lack of established conditions in housing construction after the plan approval in terms of plot coverage ratio monitoring in the case. This aggravated by inadequate policy enforcement on the plan increases residents' vulnerability in accordance to continued housing construction. This increases poor sanitation facilities allocation. The study showed that, sanitation and housing construction, placed in Engineering department, the situation which endangers enforcement and therefore increases risks accumulation and disaster occurrence. This showed poor institutional collaboration in guiding, facilitating and controlling land and housing development. Price changes of building materials and rise of food are some remarkable areas affected among others in urban setting in the city

3.9 House Quality

The study defined quality of the house in terms of thee building materials, conditions of the walls, windows, doors and floors and the age of the structure. Despite the fact the majority of the houses were constructed by the use of modern material, the study conducted reveals that about 44.2% houses out of 1800 houses studied were in poor condition, (42.5%) are in moderate condition and only (13.3%) are in good condition. Here one can argue that the construction of the house that emerging in Moshi Municipality is what individuals or households had been able to construct from their meagre income obtained in informal settlement. The study reveals that it's the income of the household that determine the quality of the house, most of houses with poor condition are belonging the low income category. Through observation some of houses were missing windows only the curtains were used as windows, doors were in poor conditions and some of the houses were constructed by mud and poles although were roofed with corrugated iron sheets. Therefore the income has a great impact on the quality of house being constructed.

3.10 Obstruct in ensuring sustainable housing development in the Municipality

Sustainable housing development in Moshi Municipality is one of the strategic dreams of the Municipal council. But there are some shortcomings that hinder its success. The study shows among others, despite of world economic crisis, there are some challenges noted that hinders housing development and therefore affects life of local people in the city. These include;

- ◆ Political interference: it might happen that political leaders promise to the community to develop their housing. But the area promised by the leaders to be developed are not planned to be developed or the area is for housing construction but what is insisted is commercial development purposes. Therefore political leaders are there just to fulfill their desire but planners are there to ensure better housing development according to the Municipal planning policy. It was noted that in most cases politicians are reluctant to act on immediate things because to them seem to be disincentive to voters. In addition, most of them knows that they spend less time in office and the motivation for hardworking for longer time seems to be difficulty goal
- ◆ Lack of cooperation between housing developers and local authority: To ensure housing development there are must be better cooperation among the actors that involve in the development of housing. The unconformity of the land use zoning and construction needs in each zone include site and plot coverage ratios observed to be a proble in the city.
- ◆ Budget. The budget set towards housing development within the Municipal council appears have no budget set aside for enhancing housing construction to cater for the growing needs of housing needs and requirements in the city. The construction of houses appears to be a one hand responsibility of National Housing Corporation, which in most cases falls short in its budget
- ◆ Lack of formal mortgage housing finance facilities in the country and this has made house construction a difficult process for many households especially those in the low income categories. Housing is financed from personal savings over a long period of time. This curtails the supply of housing, since personal saving is not sufficient to afford housing construction costs.
- ◆ Price of land in Moshi Municipality is high very high for the poor to afford: In areas of low density plots and medium, people with low income level they can't afford to access such costs.
- ◆ Lack of Technical Assistance in House Construction: Housing finance invested in housing construction determines the type of the house and the building materials to be used. Majority of individual housing developers belong to the low income category in Moshi. House quality has direct relationship with the funds accumulated for housing. House to be built includes architectural drawings, materials to be used and landscape drawings relating on the surrounding environments all of these depends on the availability of the funds being accumulated by individual housing developers. From the finds it was observed that many of the houses constructed in Moshi Municipality majority are lacking architectural expertise directives and landscape considerations, their constructions were only based on the small constructors' experience. Although many of the house were constructed by the use of modern materials i.e. concrete block for the walling and roofed with corrugated iron sheets but their condition are poor with absence of ceilings, not plastered and are of substandard. This shows that the quality of the house is defined by the housing finance invested by the household in house construction.
- ◆ Income and Expenditure Pattern for Poverty Reduction Measure: The obtained estimate on income and expenditure of the households within the study area were based on nine (9) income range groups were recorded and then the mid point for each income group was established, from which the 1204 respondents were interviewed and the results were recorded. Sources of the households mostly come from the informal activities and other small business being carried daily, it was from here where the maximum amounts being obtained daily and then the maximum and minimum amount of income earned per month by the household were easily calculated. Sources of income include food vending, carpentry, selling charcoal, video shows, restaurants, tailoring, and small shops (shop kiosk), selling coconuts, tomatoes, spinach and other vegetables at the local markets. The reason to why the income range were used was due to the stated amount being obtained by the household daily ranging from 2,000 USD to 5,000 USD depending on the type of business and availability of customers. In some cases it was found that not only one person who engages in the business but also two or three from one family example when a father operates small business like kiosk, the mother engages in food vending activities "mama lische" and the first born son operates hair cutting saloon. The income obtained from all these activities were taken as the income of the household per day which were then manipulated to get the income of the household per month enabling the family construct the building. The analysis of income shows that majority of the households about 31 respondents (25.8%) there income range was between 120,000 -135,000 USD per month.

3.11 Building control in Moshi Municipality

It should be noted that Human settlement development involves an agglomeration of actors with same interest. An effective land administration system requires a defined statutory code to effect compliance and control. Planning and building regulations and standards are therefore, essential in development control and guiding construction. In Moshi Municipality, the department of town planning and environment and department of works and fire is the one which responsible with coordination and building control.

In the process of housing development control and coordination in the city in practise, the process starts by the town planners to oversee the land use planning process. The allocation of land is done by other department, which is land valuation section. Similarly, the offering of the building permit and development control falls under engineering department, who in most cases are not trained in urban development and growth. The Municipal Health Officer have a task to inspect and recommend the setting of the environment that surround the building, does it allow and favor habitation. The urban planning committee use to endorse and approve the site to be developed after consultation done by engineer. These practice and institutions dichotomies dismantle the housing coordination as the roles are not clear based on the professional merit. This institutional division appears to be a disincentive to planners and valuers who want to control land development in the city. This calls for institutional restructuring and reforms to redress the gap.

4.0 RECOMMENDATION

It is recommended that in order to improve urban systems through housing construction under the world economic crisis, strategies and different issues and strategies should be taken on board. THE possible strategy include:

Strategy1

There should be an introduction to an alternative reserve asset to provide liquidity support as and when needed to ensure smooth functioning of the world trade and payments become apparent. This will enable countries to have reserve in order to curb the crisis.

Strategy 2

Liquidity issues have been an important part of the crisis, and the buyers strike for wide classes of financial instruments has led to a spate of emergency measures. The removal of these measures requires reducing uncertainty in two ways: First, through an improved and globally coordinated central bank liquidity support function that works in crisis situations and secondly, use of open investment principles by improving transparency of the collateral underlying securities, global infrastructure, reporting and clearing mechanisms.

Strategy 3

There is a need to restore private public partnership; this will help to enhance financial mobilization and effective resource use for the betterment of our communities. Together with increasing local production and regional economic integration may be a viable strategy to cub the gap and crisi of economic crisis. This will enable the nations to enhance enough and sound reserve among the bilateral countries.

Strategy 4

Government should endeavor to allocate a national budget to support housing development. This is due to the fact that from the study conducted local government authority (Moshi Municipality) does not have budget set for housing construction. As the result housing construction is performed by individual household, private institutions and some government agencies like NHC and TBA. But it is surprisingly that these agencies their outreaches are limited hence, the need for local government authorities to be empowered in terms of capital to have the capacity to construct houses by itself.

5. CONCLUSION

The paper argues that for effective and sustainable urban development which aims to improve housing development for improved livelihood of the poor, social capital and networking is important under eventual and substantial ongoing world economic crisis impacts. This appears also to improve urban environment and reduce poverty and therefore Millennium Development Goals (MDGs), otherwise it will be difficulty to be achieved by the year 2015. Similarly, balancing voices of different actors, improving land use planning practices, resolve land conflicts, and enhance ethnical and relation ties of people within and outside the local authority, and price control mechanism are important ingredients in improving urban livelihood, environment and housing construction in Moshi Municipality specifically and in cities of Sub-Saharan Africa countries of the same context under world economic crisis.

In fact, to support the above arguments, the study shows that, land degradation, Informal housing development also posed a key development challenge for city planners, managers, policies improvement for pro-poor growth and budget in response to recognition of the real needs for settlement planning and management in world economic crisis era. However, haphazard housing development, poor sanitation, poor access to infrastructure utility and facility, resource depletion, fear of eviction due to land insecurity and therefore increased shocks (vulnerability) are some challenges noted. For sustainable housing development during the economic crisis occurrence and beyond, proper institutional coordination, housing governance systems development in cities and policy enforcement in land development and management and socio-economic activities beyond planning needs are some important areas to be considered for enhanced city productivity. However, social capital and networking and flexible housing mortgages for the poor resource persons in the city of different income group

observed important and can reduce housing risks and other vulnerability indicators for sustainable urban housing development.

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