

Local Governance, Urban Poverty and Service Delivery in Namibia

Odd-Helge Fjeldstad, Gisela Geisler,
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Preface

The objective of this study is to identify viable approaches to the delivery of basic services for people living in poor urban settings in Namibia. Two towns, Outapi and Ondangwa, located in the populous north, are used as case councils. An important element of the study is to explore the relations between the local governments and citizens, and the ability of civil society to act as development agents. Hence, the report examines challenges for improved service delivery as seen from (i) the two local government institutions finding themselves in between the central government and its own poor population; and (ii) the informal settlement population with hitherto unfulfilled expectations for basic services.

In the context of the recent *Namibian Decentralisation Policy* and the government's increasing preoccupation with urbanisation and local government reforms the study aims to inform development policies. Accordingly, in November 2004 an earlier draft of the report was presented and findings discussed in meetings with the Ministry of Regional Administration, Local Government and Housing involving senior ministerial staff and stakeholders from civil society. In February 2005, a revised and extended version of the study was presented at several workshops in Namibia: at the UNAM-Main Campus involving researchers from various departments; at the UNAM-Northern Campus involving researchers, representatives from Outapi Town Council, NGOs and civil based organisations; and in Ondangwa TC involving council staff, councillors and representatives from informal settlements. The research team would like to thank the participants of these meetings for valuable comments and suggestions for improvements of the drafts.

The study is funded by the Norwegian Agency for Development Co-operation (NORAD) as part of its support for *Research and Institutional Co-operation with Developing Countries*. The research on which the report is based is founded on a long standing institutional collaboration between the Social Sciences Division (SSD) at the University of Namibia (UNAM), Windhoek, and Chr. Michelsen Institute (CMI), Bergen, Norway. The aim of this collaboration is to train researchers at SSD in applied development work. Thus, the team of researchers from SSD and CMI have conducted several workshops where methodologies and the outline of the study have been discussed. Moreover, in January and February 2004, the team conducted joint fieldwork in the two case councils.

The writing and editing have primarily been done by Odd-Helge Fjeldstad (CMI) and Gisela Geisler (CMI). In addition, Selma Nangulah (SSD), Albertina Shifotoka (SSD) and Akiser Pomuti (SSD) have contributed to chapters 2 and 3, and Gert van Rooy (SSD) has made contributions to chapter 4. Knut Nygaard (CMI) systematised relevant information based on the citizen survey for chapters 4, 5 and 6. SSD staff conducted the citizen survey and the preliminary data processing. Special thanks to Christa Schier (SSD) who processed the questionnaires into a SPSS-database, to the CMI librarians for their assistance, and to Inge Tvedten (CMI) who initiated the study. The most important acknowledgement, of course, is due to the administrative staff in Ondangwa and Outapi Town Councils who facilitated the study, and the people in the surveyed settlements who took the time to speak to us. We hope the report will be considered useful – and be used – by policymakers and development practitioners in Namibia, as well as well by researchers, students, and aid officials. Points of view and any remaining errors can be attributed to the authors.

Bergen, 24 November 2005

Acronyms

ALAN	Association of Local Authorities in Namibia
AG	Auditor General
CBS	Central Bureau of Statistics
CG	Central Government
CMT	Council Management Team
CPI	Consumer Price Index
CSO	Central Statistics Office
DCD	Department of Community Development
DI	Department of Income (water and electricity charges)
DIP	Department of Infrastructure and Planning
DPDR	Department of Property Development and Registration
CIA	Council Internal Auditor
CMI	Chr. Michelsen Institute
CMT	Council Management Team
CPLO	Council Planning Officer
CRA	Council Revenue Accountant
CT	Council Treasurer
FA	Financial Administrator
FHH	Female Headed Households
GoN	Government of Namibia
GTZ	(Die Deutsche) Gesellschaft für Technische Zusammenarbeit
LA	Local Authority
LG	Local Government
LGR	Local Government Reform
MC	Municipal Council
MHH	Male Headed Households
MP	Member of Parliament
MRLGH	Ministry of Regional and Local Government and Housing
NHAG	Namibia Housing Action Group
NHE	National Housing Enterprise
NHP	National Housing Policy
NORAD	Norwegian Agency for Development Cooperation
NORED	Northern Namibia Regional Electricity Distribution Utility
NPC	National Planning Commission
RoN	Republic of Namibia
SADF	South African Defence Forces
SDFN	Shack Dwellers Federation of Namibia

SSD	Social Sciences Division
SHA	Self Help Activities
SWABOU	South West African Building Society
SWAPO	South West Africa People's Organisation
TA	Technical Advisor
TC	Town Council
TCI	Town Clerk
TGNU	Transitional Government of National Unity
UN	United Nations
UNAM	University of Namibia
UNDP	United Nations Development Program
UTFN	Urban Trust Fund of Namibia
VC	Village Council
WB	World Bank

Executive summary

1. Introduction

- 1.1 This report focuses on challenges for improved service delivery in poor urban areas in Namibia. Two towns, Outapi and Ondangwa, located in the populous north, are used as case councils. The objective of the study is to identify viable approaches to the delivery of housing, water, electricity, and sanitation – the inadequacy of which all currently have detrimental effects on the poor. The study examines the issue of *service delivery* as seen from both the councils and the informal settlement population. The relationship between local governments and citizens, and the ability of civil society to act as development agent is an important part of the study.
- 1.2 The research has been conducted by a multidisciplinary research team from Chr. Michelsen Institute (CMI), Norway, and the Social Sciences Division (SSD), University of Namibia. The analysis is based on a variety of sources of data collected during fieldwork in 2004, including official, research and media reports, policy documents, a comprehensive citizen survey, and interviews with a wide range of stakeholders, including council staff, elected councillors and citizens in the two case councils, representatives from NGOs and CBOs, staff and councillors in the Oshana and Omusati regions, and staff at the Ministry of Regional and Local Government and Housing (MRLGH) in Windhoek.

2. The local government system in Namibia

- 2.1 Namibia has a three-tier system of governance: central government, regional councils and local authorities. The *Local Authority Act of 1992* distinguishes between municipalities, towns and villages, with municipalities being the highest and most autonomous type of local authority. Municipality and town councils are expected to be financially autonomous, operating on a full cost recovery basis for all services they deliver, although some - mainly sector specific and area based - cross-subsidisation occurs. Councils generate most of their funds from user fees except for the more established authorities which levy property taxes and sell land (erven). Local authorities receive limited funding from central government for specific investment projects and for recurrent cost support on an *ad hoc* basis.
- 2.2 Town councils rely to a large extent on user charges, especially on water and electricity, by adding a surcharge to the cost of the utilities. However, the majority of town councils are not determining their tariffs in accordance with an approved tariff policy, causing trading services, including water distribution, to run with significant losses. The situation is worsened by an increasing number of consumers who do not pay for basic services due to various reasons, including affordability. A number of town councils therefore find it increasingly difficult to sustain their service levels without using their accumulated surpluses.
- 2.3 There are indications that for the country on aggregate, service provision through local authorities has not improved notably for electricity since independence, and may have worsened with respect to water supply. Information on the trends for other services, such as sanitation and the provision of urban building plots, is not available. But there is little reason to expect that the provision of these services suggest a different picture. It is likely that the overall supply of services in informal urban settlements has deteriorated.

3. Urban poverty, housing and land tenure

- 3.1 Rapid urbanisation in Namibia has occurred largely as a result of high rates of population growth, drought, and a decline in the ability of the land to support growing populations. Approximately 40% of the urban population live in informal settlements, with unemployment being a major problem, particularly in the north. The current national unemployment rate is estimated to 31%. The highest unemployment rate is found among young people in urban areas, notably women. The majority of urban dwellers who cannot find employment in the formal sector seek livelihoods in the informal economy.
- 3.2 Access to housing is inadequate and urban service delivery such as of water, electricity, sewage and waste disposal represent severe problems. The government's poverty reduction strategy acknowledges that poverty and unequal access to services in general are major problems. However, the poverty reduction action programme has no explicit role for local authorities. This impasse may have potentially serious consequences for local government finances. Rural-to-urban migration is likely to increase the financial burden of municipalities and town councils. In the absence of significant central government financial transfers, the different local authorities have to carry the lion's share of costs from their internal resources when developing and upgrading poor informal areas. Although plans are in place in many local authorities, the process of developing and/or upgrading informal townships is very slow, due to financial constraints and the characteristics of land tenure.
- 3.3 Informal settlement dwellers are vulnerable to eviction, especially if they live in so-called impermanent houses such as iron shacks or traditional houses. The formalisation of informal settlements often forces poorer residents into other informal areas. Town councils are required to pay compensation to resettled residents who own permanent structures (brick houses) or traditional homesteads. In practice, monetary compensation is rarely adequate and therefore no incentive for moving. Residents living in iron shacks receive no compensation at all, even if as often happens they are moved from prime sites close to the business centre or the main road to more remote areas with even fewer services and less business opportunities.
- 3.4 Provision of affordable serviced land in an environment of secure tenure for low income households and the establishment of incremental development areas are part of the *National Housing Plan*. Local authorities are encouraged to reduce the costs of developing land by applying appropriate infrastructure standards and cross subsidisation, and to upgrade informal settlements without forcing residents out. However, the policy, where it was applied, has largely failed.
- 3.5 The National Housing Programme *Build Together* provides soft loans to low-income households that lack the collateral to be considered by commercial banks. The *Namibia Housing Action Group* (NHAG) and its subsidiary, the *Shack Dwellers Federation of Namibia* (SDFN) cater for residents who are not able to access *Build Together* loans. SDFN is one of the few micro finance institutions in Namibia offering savings and loan products on a group basis. It also negotiates land for the resettlement from town councils for their members. The co-operation with councils, however, potentially makes SDFN a tool of council policy and action, which might not always be in the interests of its members.

4. Socio economic profiles of Ondangwa and Outapi

- 4.1 This chapter presents socio-economic profiles of the two town councils, based on the citizen survey conducted as part of this study. The data provides detailed information on the household characteristics of the residents, and information about citizens' access to services, including electricity, sanitation, water and social amenities such as health services and schools.
- 4.2 Ondangwa town was proclaimed in 1997, and became an autonomous town council in 1998. The town had a population of 10,900 in 2001, according to the population and housing census. About 40% of the town's population live in eight informal settlements. The number of brick

houses has increased since independence, with older settlements having more and younger ones less. Most informal settlements in Ondangwa are managed by informal Settlement Committees on a voluntary basis. These committees act as a link between the communities and the local authority.

- 4.3 Outapi town council was promulgated in 1997 and received autonomy from the central government in July 2002. The population in 2001, according to the census, was 2,640 of whom half live in informal settlements. It is one of the fastest growing urban centres in Namibia. In Outapi, only 25% of the informal settlement dwellers live in iron shacks, compared to 55% in Ondangwa.
- 4.4 In Ondangwa, more than 40% of household members in the 16 to 25 years age bracket are unemployed and looking for work. In Outapi, the total share of unemployed who are looking for work is 9%, and more than 16% for household members aged 16 to 35 years. While as many as 55% in the formal settlements in Ondangwa are wage employees, this applies for only 28% in the informal settlements. In Outapi, the majority of the adult household members in the formal settlements (51%) are wage employees, compared to only 24% in the informal settlements. Moreover, the share of wage employees among female household members is higher in the formal settlements (45%) than in the informal ones (18%).
- 4.5 While the share of female headed households (FFH) is generally high in Namibia (45%), it is higher in the North. In Ondangwa FFH made up 57 % of households in informal and 45% in formal settlements. In Outapi FHH dominated in the formal settlements (51%), compared to 44% in informal settings. Moreover, even though there is a general perception that FHH are poorer, their housing standards are only marginally worse than their male counterparts, also in informal settlements.
- 4.6 In both Ondangwa and Outapi the majority of the respondents consider that the level of household consumption is not adequate to cover needs. Only about 1% of the residents in the formal and informal settlements are satisfied with available resources. For the respondents in Outapi, the most important (and significant) monthly expenditures are food, water, electricity and site/property rent. Apart from food and water, the other expenditures are ranked lower by the respondents in Ondangwa.
- 4.7 While all the respondents say their households have access to water, only 61% say they have access to electricity and 27% to sewage. The largest discrepancy in service delivery between the formal and the informal settlements in Ondangwa is for electricity, which is available for 87% of the households surveyed in the formal settlements, but only for 15% of the informal settlement dwellers. Sewage provision is the other service with a significant discrepancy between formal and informal settlements. In Outapi, the coverage of electricity is relatively well developed (70%), while various sanitation services (garbage disposal, sewage and communal toilets) are less covered, particularly in the informal settlements.
- 4.8 The services prioritised for improvement by citizens in Ondangwa are schools, health services and water supply. These are also the same services that people are most 'satisfied' with at present. The services prioritised for improvement in Outapi are water, electricity supply and health services, which also have the highest satisfaction rates.

5. Service delivery: Challenges from the councils' perspectives

- 5.1 Limited planning capacity, combined with lack of relevant data and statistics represent major constraints for the design and implementation of council plans in both Ondangwa and Outapi. Since no socio-economic profiles are yet available in the two councils, there is limited knowledge about needs. Subsequently, a key weakness that has been identified is the lack of local authority preparedness for planning and robust decision-making. Although some direct consultations with residents about plans and priorities take place in Outapi, planning in both case councils often is still based on guesswork rather than established facts.

- 5.2 The weaknesses in planning capacity have opened a market for private consultants, which has made surveying very expensive. Moreover, lack of qualified personnel to take charge of the operations, maintenance of infrastructure, financial management and accounting are problems Ondangwa and Outapi town councils have largely in common.
- 5.3 The demarcation of powers, functions and duties of councillors and council staff are not delineated. The functions of the regional councils are not very clear either.
- 5.4 In principle, Ondangwa and Outapi town councils are supposed to be autonomous and self-sufficient bodies. In practice, however, neither council is financially viable. Assessment rates and charges on local services, particularly water, comprise the major revenue sources. In both councils there is a potential to improve collection efficiency, for instance by outsourcing revenue collection. But, the mixed experiences from Outapi with privatised collection of site rates and fees show that further outsourcing requires proper planning, including training of the collectors. Moreover, to enhance citizens' compliance, stronger links between payment of charges and service delivery are required.
- 5.5 NORED has taken over the electricity supply of all local authorities in the Northern Region with the exception of Oshakati TC. The establishment of NORED in 2002 seems, however, to have benefited neither Ondangwa nor Outapi. Lack of transparency has marked NORED's dealing with the two councils. In addition, the councils are still responsible for the development of new electricity infrastructure. Furthermore, no maintenance agreement between the local authorities and NORED is in place. Consequently, there is a need to renegotiate the councils' agreement with NORED.

6. Service delivery: Challenges from the citizens' perspectives

- 6.1 The study reveals substantial differences between Ondangwa and Outapi with respect to citizens' attitudes and coping strategies. Differences between the formal and informal settlement dwellers are especially huge in Ondangwa, where people living in the informal settlements are clearly disadvantaged. Such gaps also exist in Outapi, but they are less pronounced.
- 6.2 Lack of sanitation in the informal settlements is a problem in the two councils, leading to stagnant water sources (*oshana*) being used both as toilets and as a source of water, sometimes even for drinking. The sewage lines installed in Ondangwa's informal settlements did not improve sanitation, but instead added to poor peoples' payment burden. Sustainable sanitation solutions for informal settlements cannot at this time be fulfilled by flush toilets.
- 6.3 Residents of Ondangwa's informal settlements generally appear to be poorer and lead a more precarious existence compared to their counterparts in Outapi. Furthermore, people in informal settlements in Ondangwa perceive the town council and the local councillors as less trustworthy compared to Outapi, where the informal settlement appears a place of business and temporary residence. In Ondangwa, by contrast, investing in rural relations is an essential part of many residents' survival strategies. Losing rural connections is a condemnation to urban poverty, marked by alcoholism and a lack of energy to move forward.
- 6.4 Neighbours and the community also play an important role in the survival strategies of the poor, while NGOs and formalised CBOs hardly play any role. In Ondangwa this is apparent by the importance many informal residents attach to the community based settlement committees, with functions that encompass traditional authority roles and mediation with the council. In Outapi, residents have higher trust in the council as reflected in a more open, interactive and critical relationship with the town council. People also have a stronger adherence to the traditional authority in Outapi leaving only a minor role to settlement committees.
- 6.5 In both councils a mismatch between citizens' dissatisfaction with service delivery and their willingness to pay for the services was observed. People give highest priority to improved water and electricity supply, which also have top priority in peoples' monthly expenditure plans. With respect to other services, such as street lightning, market place facilities, storm water drainage

etc, people may complain about quality and limited availability, but are not willing to contribute financially to their improvement.

7. Lessons and policy recommendations

7.1 This final chapter provides a set of policy recommendations for improving the delivery of basic services to people living in poor urban settings in Namibia. Though interlinked, the recommendations are organised in accordance with challenges related to (1) local governance and citizen participation; (2) finances and financial management; and (3) sustainable service delivery and coping strategies for poor people.

Local governance and citizen participation

7.2 Town councils should as a matter of immediate priority develop socio-economic profiles reflecting availability and affordability of key services. This will require co-ordination and support from the central government.

7.3 Considering the inadequate financial resources and the short supply of qualified staff, especially engineers and accountants, adjoining towns should consider to jointly hire such personnel and share their services and costs.

7.4 Good internal communication within the CMT is essential for the performance of the council. Co-ordination between staff is important to avoid duplication and confusion in their separate dealings with communities. Since the demarcation of powers, functions and duties between elected councillors and administrative staff are currently unclear the MRLGH should in collaboration with ALAN organise workshops that clarify the respective roles. New councillors need to be particularly targeted.

7.5 To improve and strengthen trust relations between council and residents, the councils should engage a member of the traditional authority in order to interpret customary law and the attitudes of the people, and provide for institutionalised meetings. Representatives of the settlement committees might also be granted a more permanent place as observers or participants in council meetings.

7.6 Effective mechanisms for citizen involvement in planning and priority setting with respect to service delivery need to be put in place, be they by means of settlement committees or by direct dealings with the council. If intermediaries such as settlement committees are used on a voluntary basis they need to receive incentives and be compensated for their costs.

Finances and financial management

7.7 There is an urgent need to establish and maintain a database on local government finances and expenditures. The potential benefit of establishing and maintaining such a database may be substantial. There is also a need to improve the financial reporting in order to make this information accessible to council staff, elected councillors and the general public.

7.8 Transfer of grants from the central government and revenue sharing between central and sub-national levels of government, which take into account the different needs and priorities of councils, are essential components of fiscal decentralisation.

7.9 Local government fiscal reforms require an adjusted revenue structure and strengthening of local financial management capacity. Improvement of the accountability of revenue collectors and elected councillors requires substantial central government commitment.

7.10 Citizen compliance needs to be improved by enhanced efficiency and effectiveness of revenue administration. Relevant instruments include improvements to billing and accounting systems, establishment of more accessible and efficient payment facilities, and strengthening of the capacity to follow up cases of non-payment through fair and reasonable enforcement.

Service delivery and coping strategies

- 7.11 Local authorities should be given an explicit role in the national poverty reduction programme. Additional funding from the central levels should follow.
- 7.12 Alternative ways to financing services are required if the service level is to be extended. This can be achieved through more realistic planning and focused priority setting which also reflects the priorities and financial constraints of citizens, including the poor. It is essential to choose cost-effective and appropriate technology for service provision to different target groups, and to provide service users with incentives to maintain the facilities.
- 7.13 Communal water taps should be assigned to limited numbers of households, in order to avoid disconnection due to breakage and misuse by outsiders. Since many poor households are unable to raise connection fees, town councils should create alternative financing options, such as work for connection, payment in instalments and credit schemes for residents to pay for both connections and part-payment for infrastructure development in informal settlements. In a situation characterised by high unemployment rates and health problems related to waterborne diseases, such measures are likely also to have other positive spin-off effects on the welfare of poor urban residents.

1 Introduction

The urbanisation of poverty is one of the most dramatic developments on the African continent, yielding contrasting images of affluent residential and business districts and utter misery in sprawling shantytowns or slums. More than 50% of Africa's population will soon live in towns and cities (UN, 2001), and 50% of Africa's poor will live in urban slums by 2025 (Kamete *et al*, 2001). Southern Africa is the most urbanised region on the continent, with Angola currently having an urban population of more than 60%, South Africa 55% and Namibia more than 30% albeit with one of Africa's highest urban growth rates. Urban migration does not seem to slow down, taking hundreds of thousands of women, men and children to towns in search of a better life. The large majority of these end up in poverty-stricken informal settlements in urban areas.

Urbanisation in Namibia shares a number of key characteristics with other countries in the region:

- There is a correlation between urbanisation and economic development and growth.
- Urban areas play a significant role in the democratisation process, through political mobilisation and local government.
- There is a close link between urban and rural development, both in macro-economic terms and through urban-rural links.
- The environmental problems facing developing countries are increasingly associated with growing towns and urban centres.
- Poverty is increasingly an attribute of urbanisation, and urban poverty exhibits specific features different from poverty observed in rural areas.

However, Namibia also has a number of special features. These include the large proportion of the urban population living in Windhoek, the capital city; the high urban growth rate particularly in towns in the densely populated northern part of the country; and an exceptionally skewed distribution of economic resources. Given the short time-span since independence in 1990 and the late development of a relevant political and legal framework, the central, regional and local governments have only recently started to grapple with the challenges facing urban development. High urban growth rates, with about 40% of the urban population at present living in poverty ridden informal settlements, lie at the core of these challenges.

The focus of this study is the provision of basic services to the people living in poor urban settings in Namibia. The study does this through a combined focus on local government governance and finances, and livelihood strategies of the urban poor in the town councils of Outapi and Ondangwa respectively. Both towns are located in the populous northern Namibia. Ondangwa is situated in the Oshana region and has a population of approximately 11,000 inhabitants.¹ About 40% of the town's population live in informal settlements. Prior to independence, Ondangwa functioned as an administrative centre of the then Owamboland and had very few formal commercial activities. Currently the town functions as a commercial centre for a densely populated rural hinterland. Outapi is situated in the Omusati region and has a population of approximately 3,000 inhabitants. About 50% of the population live in informal settlements. Since before independence, Outapi has functioned as a rural centre predominated by informal business activities.

¹ The population data in this report refers to the 2001 Housing and Population Census (RoN, 2003; Table 1.2.3, p. 21). Other sources, however, operate with different numbers. For instance, the strategic plan for Ondangwa refers to a population size of 29,373 (p. 4), which is the same figure used by MRLGH (2004b). In comparison, Outapi's strategic plan (p. 6) operates with 1,900 residents living within the proclaimed town boundaries (p. 6), while the MRLGH (2004b) refers to a population size of 14,000.

Today Outapi is the administrative centre of the Omusati region, and is one of the fastest growing urban centres in Namibia. It has been selected by the Ministry of Regional and Local Government and Housing to spearhead the implementation of Namibia's decentralisation policies and service delivery strategies through the *Fast Track Infrastructure Delivery Programme*.²

The main objective of this report is to identify sustainable approaches to the delivery of basic services in the form of housing, water, electricity, and sanitation for the poor informal settlements in urban areas. The current service delivery approach of the government has left out informal settlements and has instead focused on improving and expanding services in formal areas. Limited attention is currently given to alternative approaches to service delivery to informal settlement dwellers. This situation has detrimental effects on the poor. The research team has approached this matter by analysing local authorities' capacity for revenue enhancement and financial management, and governance issues such as accountability and responsiveness of local government (see Figure 1.1). Accordingly, the report examines challenges for pro-poor *service delivery* as seen from (i) the local governments caught between expectations of the central government and their own poor population; and (ii) the informal settlement population with hitherto unfulfilled expectations for basic services in the form of housing, water, electricity and sanitation. The study suggests that main obstacles to improved service delivery to people living in the informal settlements are associated with distrustful relations between the local governments and the communities, weak ability and incoherent efforts by the civil society to act as development agents, and inadequate government driven approaches. In particular, the study argues that the local governments' need for revenues to finance service provision is incompatible with the ability of citizens in informal settlements to pay for these services. On this basis, the study identifies possible approaches to service delivery in informal settlement areas in Namibian towns.

² The Fast Track Infrastructure Development Programme is a Government sponsored programme designed to seek speedy provision the much needed services such as water, electricity, roads, oxidation ponds, new housing and serviced ervens. This programme was piloted in Outapi in 2004 and was replicated the same year in Oshakati, the administrative centre of the Oshana region. The focus of this programme, however, did not target service delivery for the poor informal settlement areas but service delivery for the formal and formalised areas of the urban areas.

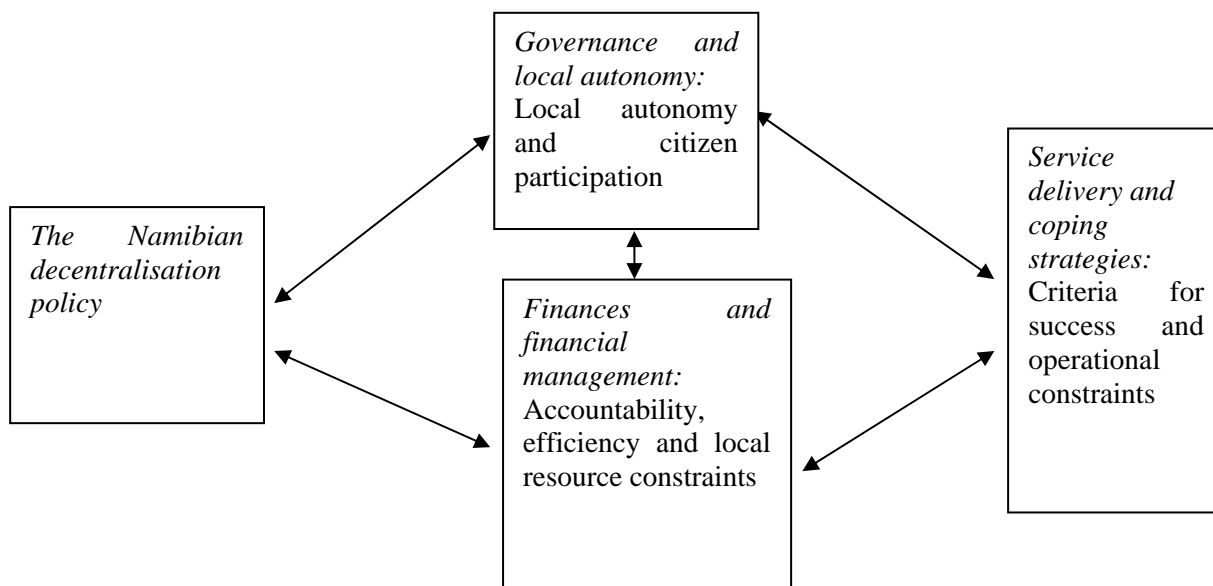


Figure 1.1 *Analytical framework*

We have combined qualitative and quantitative research methods to investigate the challenges facing *service delivery* in poor urban areas. Our analysis is therefore based on a variety of sources of information collected during 2004. These sources include among others (i) official reports and raw data on local government finances, management, and service delivery in Namibia; (ii) policy documents and reports on decentralisation and housing policies produced by the government, the town councils themselves, donors and various consultants; (iii) personal interviews and discussions with councillors, the council management teams and citizens in informal settlements in Ondangwa and Outapi; (iv) a citizen survey covering 376 respondents in the two case councils; and (v) interviews and discussions with staff and councillors in the Oshana and Omusati regions, officials at the Ministry of Regional and Local Government and Housing (MRLGH) in Windhoek, representatives from NGOs, aid workers, consultants and researchers.

The remaining part of this report is divided into six chapters. Chapter 2 presents briefly the main characteristics of the local government system and decentralisation policies in Namibia, including trends in service delivery and the local finance system. Urban poverty, housing and land tenure policies are discussed in chapter 3. Thereafter, chapter 4 provides a socio-economic profile of the two case councils, Ondangwa and Outapi, based on the citizen survey, which was conducted in April 2004. In chapter 5, the constraints facing pro-poor service delivery in the two councils are discussed, followed by a discussion in chapter 6 of the challenges and priorities for service delivery as perceived by citizens. Finally, chapter 7 examines lessons learned from these case studies, which aim to inform the formulation and design of service delivery approaches in poor urban settings in Namibia.

2 The local government system in Namibia

The present local authorities in Namibia are established in accordance with the Local Authorities Act 23 of 1992, as amended by the Local Authorities Amendment Act 17 of 2002. It is not possible to understand the present local government system without a historical perspective. Accordingly, in this chapter we briefly review the pre-independence local government system in urban settings, emphasising the housing and service delivery policies. Thereafter, a brief account of the institutional changes in local government after independence is presented. This is followed by a short assessment of the trends in the provision of key services and local government finances since independence. It is concluded that the local government system has been unable to cope with the demand for services that is driven by an increasing urbanisation.

2.1 Sub-national entities before independence³

At independence in 1990 the new government inherited a local government system ill fitted to meet the expectations of the newly proclaimed political order of liberal democracy, accountable government, and a non-discriminatory delivery of public services. In addition, no coherent service delivery strategy for informal settlements existed, which the government could have used as the basis for new policies. Prior to independence informal settlement dwellers in urban centres were equated with 'illegal squatters from the homelands', who were not entitled to service delivery within the borders of formal urban areas. On the other hand, informal settlements located on the outskirts of formal urban centres were regarded as being part of the rural 'homelands' or so called 'Bantustans' which were administrated by the Traditional Authorities as part of the overall 'homeland' administration. The residents of these informal settlements curiously did not have the status as 'illegal squatters' since they were not part of the towns. Service delivery and upgrading were accordingly deemed the task of those authorities rather than the responsibility of the central government. Hence, service delivery at the sub-national level was ethnically, socially and spatially biased in favour of affluent, white residential areas. Indeed, it was official policy that towns should be made as unattractive as possible to discourage in-migration of non-whites (UNDP, 1989:VII, 2).

This urban development policy implied that no room was made for the formulation of suitable service delivery strategies to accommodate the needs of the urban poor. The most important impact of this divided development policy approach was on public administration in general and local government in particular. Larger urban areas south of the so called Red Cordon Fence, which separated northern Namibia from the rest of the country, were run by local governments in the form of municipalities, the boundaries of which dated back to the German colonial period before 1918. All the larger urban areas were divided first according to racial lines (i.e. so called Blacks, Coloureds and Whites), then according to income status within the racial divisions, and lastly according to formal or informal status. Only Whites had voting rights, but they had to meet specific residential and property ownership rights qualifications. Blacks and Coloureds as defined during the apartheid era did not have the same residential and property ownership rights until the mid-1980s.

Smaller urban settlements south of the Red Cordon Fence and all small formal and formalised urban settlements in the 'Bantustans' were managed by a village advisory board appointed by the central government. Urban settlements with village status were run by village secretaries with funding coming directly from central government (in the case of non-'Bantustan' urban settlements) and funding from the homeland government (in the case of formal and

³ This section draws on Simon (1983, 1988, 1996); Toetemeyer (2000:116-117; 2001); and UNDP (1986, 1989).

formalised urban settlements situated in Bantustan areas). Before independence the population growth in all smaller urban settlements south of the Red Cordon Fence was very slow compared to that north of the Fence. This meant that the control of informal settlement growth south of the Red Cordon Fence was relatively easy compared to the situation in the north.

During the mid-1980s some measures of the separate development policy (e.g. influx control and group areas regulations) were relaxed to allow freer movement of people. Freehold and leasehold rights were also extended to upper and middle income Blacks and Coloureds living in the larger urban settlements. Permanent employment was used as collateral for loans from lending institutions to develop upper and middle income housing. Private sector mechanisms for financing the construction of houses were administered by the then Transitional Government of National Unity (TGNU) as a means of easing the financial burden of the local authorities. Financial institutions such as SWABOU and most private banks were the main lenders to Blacks and Coloureds with permanent employment status. Guarantees on behalf of the borrowers to the financial institutions were offered by the employers (mainly the central government, parastatals, municipalities, and some private companies).

Housing for the lower to lower-middle income groups was catered through the government owned National Housing Enterprise (NHE) at predetermined interest rates. It was assumed that the provision of low-cost housing for the poorest sections of the urban population would encourage increased rural-urban migration which would then be hard to control, and create urban unemployment and overcrowding. The state was therefore reluctant to finance the provision and servicing of low-cost housing. The upgrading of existing and planning of new townships, and the provision of serviced land and secure land rights in larger urban areas were all seen as causing an increase in rural-urban migration, and were thus avoided.

From 1985 onwards policy measures aimed at segregating the population according to income and racial lines were abolished by the Transitional Government of National Unity. In principle, this opened up all residential areas, but in practice a high degree of *de facto* segregation persisted in all urban areas, especially outside of Windhoek. From 1988 onward informal settlements started to mushroom in larger urban areas south of the Red Cordon Fence because of (i) the abolishment of the restrictive and cohesive policy measures, (ii) the acceptance of the rights of squatters to shelter, and (iii) the acknowledgement that rural-urban migration was unavoidable as it was linked to peoples' aspirations for improving their lives

Unlike south of the Red Cordon Fence, the population of the informal settlements in the north started to expand from 1975 onwards when the protracted war between SWAPO and the South African Defence Force (SADF) intensified. Informal settlements in the north were established by people working predominantly for the SADF and the South African Police Force. Most of these informal settlements were located close to army camps, while some surrounded formal and formalised urban centres, mainly for safety reasons. None of the informal settlements north of the Red Cordon Fence were planned and formalised, as all were located in the traditional authority administered areas. Moreover, no services were provided for informal settlement dwellers until independence, nor did they have amenities such as schools and clinics.

Thus, before independence almost all the proclaimed local authorities were situated in central and southern Namibia. No local government (village or municipal) was ever instituted in the so-called homelands (communal areas), although 70% of the population lived there, and urbanisation in these areas, especially in the north, had increased.⁴ Second-tier ethnic administrations managed these areas on an agency basis for the Peri-Urban Development Board. Their legal powers were extensive and included those relating to land, education, health, housing and social welfare services, civil defence and security, and control of traditional authorities (UNDP, 1989:III, 1). However, there were huge differences in the number and the quality of staff and the

⁴ The exception was in Namaland that had four proclaimed townships: Gibeon, Tses, Berseba and Soromaas (UNDP, 1989: VII, 4).

level of finances (through taxes and transfers) between these ethnic authorities – and hence in the level of services they were able to provide.

2.2 The present local government system

With Independence, the racially segregated local authorities were abolished. The formerly segregated townships were fully integrated into the municipal administration through the abolition of racially based advisory boards, and the election of councillors who represent the entire urban population (Simon, 1996:74-75). Moreover, at independence SWAPO wanted an executive Presidency while the opposition demanded elected regional councils to administer rural areas (see Töttemeyer, 2000, 2001). Both demands were incorporated in the new Constitution, which established a three-tier system of governance: central government, regional councils and local authorities. Key services, such as health, education and agricultural extension, were centralised under line ministries. The second tier – the regional councils – is presently responsible for specified service delivery in rural areas,⁵ while the third tier – the local authorities – is responsible for service delivery in urban areas. Institutionally, local authorities fall within the respective regions where they are situated (NALAO *et al.*, 2004:10). But through proclamation, local authorities become autonomous bodies under the general supervision and guidance of the Ministry of Regional Local Government and Housing (MRLGH), even though they have to co-operate with Regional Councils and Traditional Authorities.⁶

The *Local Authority Act of 1992* distinguishes between municipalities, towns and villages, with municipalities being the highest and most autonomous type of local authority (MRLGH, 2003:7).⁷ Municipalities are further classified into two groups, i.e. Part I and Part II municipalities. Part I municipalities generally have a solid financial basis and great autonomy with regard to the determination of property tax and obtaining loans. Part II municipalities have a more fragile financial basis and are subject to control exercised by the MRLGH with respect to setting property rates and obtaining credit facilities. Most of the Town Councils cannot balance their budgets without substantial transfers from the central government or donor assistance (Töttemeyer, 2000; MRLGH, 2004). This implies that their financial autonomy, in general, is limited.

At present Namibia has 16 municipal councils (MC), of which three are Part I, compared to 15 at independence (see Table 2.1). This contrasts with the 15 town councils (TC), of which only Lüderitz existed at independence. The others were all established in 1992 under the new act. Moreover, all but two town councils (Lüderitz and Henties Bay) are situated in the former 'Bantustans', mostly excised from land in the communal areas. The village councils (VC), like the

⁵ At present there are 13 regional councils established under the Regional Authorities Act adopted in 1992. The Regional Councils do not administrate the Local Authority Council. The Constituencies elect the Regional Councils. The President of the RC is picked from its members, and is the state's representative in the Region. During the first years after independence, regional councils did not have much capacity to deliver services due to constraints of funds and staff. This is gradually changing. Regional councils are central in the decentralisation process, which the government has now embarked upon. See Töttemeyer (2000) for descriptions of the aims and implementation of decentralisation.

⁶ See Töttemeyer (2000) for a description of the functions of the Regional Councils and Traditional Authorities, respectively.

⁷ The constitutional framework for the decentralisation policy and supporting legislations is Chapter 12, Article 102(1) and 102(3) of the Namibian Constitution. Article 102(1) enables the central government to create regional and local government structures through various Acts of Parliament, while Article 102(3) is the constitutional corner stone for the determination and establishment of regional and local councils. Since 2000, five Acts supporting the Namibian decentralisation process have been passed: (1) the *Decentralisation Enabling Act No 33* of 2000; (2) the *Trust Fund for Regional Development and Equity Provision Act No 22* of 2000; (3) the *Local Authority Amendment Act No 24* of 2000; (4) the *Regional Councils Amendment Act No 30* of 2000; and (5) the *Traditional Authority Act No 25* of 2000. Objectives and key elements of the decentralisation policy in Namibia are described in MRLGH (1997, 1998, 1998b).

municipalities, are mostly found in the central and southern part of the country.⁸ At present there are 15 village councils (MRLGH, 2003:8).

The municipal and town councils are governed by a council. The Minister responsible for Regional and Local Government, and Housing⁹ determines the number of councillors, which may vary between seven and twelve elected members (ibid). Currently, town councils consist of seven members (MRLGH, 2004:10). Normally the council administration is divided into departments of general administration, finance, health, engineering, and planning. They vary considerably in terms of personnel, income and patterns of expenditure (Tvedten & Mupotola, 1995).

Local authorities carry out a number of functions as specified in Section 3(2) of the *Local Government Act* No. 23 of 1992, as amended by the Local Authorities Amendment Act No. 17 of 2002. According to the Acts, local authorities are responsible for the provision, operation and maintenance of most municipal infrastructure and services. Roads, drainage, water supply, sewerage, electricity distribution, street lightning and solid waste management, as well as access to land and housing are all functions that are the responsibility of local authorities (NALAO *et al*, 2004:11). However, no indication is given which services all local authorities should be delivering as a minimum requirement (MRLGH, 2004:14). Thus, some services may be delivered by all three types of councils, while others might be specific to certain councils only and might even depend on ministerial approval. However, the provision of water, electricity, sewerage, refuse collection and land is more common and counts among the council's most important revenue sources.

According to the Local Government Act of 1992 (section 4, p. 18), the President is empowered to proclaim new municipalities and town councils, and also to alter the status of local authority councils. Both upgrading and downgrading of councils from Town council to Part II municipality, and from Village to Town council, and vice versa have happened. This does, however, not necessarily imply that functions change. According to Simon (1996), town councils only provide slightly more and different functions than the village councils,¹⁰ although the former are larger and better staffed. Municipalities tend to provide the largest range of services.

⁸ Villages are small settlements that formally are not declared as urban areas (Tvedten & Mupotola, 1995:9).

⁹ See Promulgation of Local Authorities Amendment Act, 2002, amendment of section 1 of the Local Government Act No. 23 of 1992 (para. 1.e).

¹⁰ Simon (1996:62) also shows that there is little relationship between the population size of a village council, the number of staff employed, and the type of services they provide.

Table 2.1 Local Authorities by type and population (1991 and 2001)

Local authority	Region	Council category	Year est.	Population 1991	Population 2001	Annual average growth (in %) ¹¹
Windhoek	Khomas	M1	<1992	147 056	233 529	4.62
Swakopmund	Erongo	M1	<1992	17 681	23 808	2.98
Walvis Bay*	Erongo	M1	<1992	30 452	43 611	3.59
Gobabis	Omaheke	M2	<1992	8 340	13 856	5.08
Grootfontein	Otjozondjupa	M2	<1992	12 829	14 249	1.05
Karasburg	Karas	M2	<1992	4 602	4 075	-1.22
Karibib	Erongo	M2	<1992	3 067	3 726	1.95
Keetmanshoop	Karas	M2	<1992	15 032	15 778	0.48
Mariental	Hardap	M2	<1992	7 581	9 836	2.60
Okahandja	Otjozondjupa	M2	<1992	11 040	14 039	2.40
Omaruru	Erongo	M2	<1992	4 851	4 761	-0.19
Otavi	Otjozondjupa	M2	<1992	3 506	3 813	0.84
Otjiwarongo	Otjozondjupa	M2	<1992	15 921	19 614	2.09
Outjo	Kunene	M2	<1992	4 535	6 013	2.82
Tsumeb	Oshikoto	M2	<1992	16 211	14 929	-0.82
Usakos	Erongo	M2	<1992	3 548	2 926	-1.93
Arandis	Erongo	T	1992	4 303	3 974	-0.80
Eenhana	Ohangwena	T	2000	na	2 814	na
Henties Bay	Erongo	T	<1992	1 612	3 285	7.12
Katima Mulilo	Caprivi	T	1992	13 377	22 134	5.04
Khorixas	Kunene	T	1992	7 358	5 890	-2.23
Luderitz	Karas	T	<1992	7 700	13 295	5.46
Okakarara	Otjozondjupa	T	1992	3 725	3 296	-1.22
Ondangwa	Oshana	T	1992	7 926	10 900	3.19
Ongwediva	Oshana	T	1992	6 197	10 742	5.50
Opuwo	Kunene	T	1992	4 234	5 101	1.86
Oshakati	Oshana	T	1992	21 439	28 255	2.76
Outapi	Omusati	T	2000	na	2 640	na
Rehoboth	Hardap	T	1992	21 439	21 308	-0.06
Rundu	Okavango	T	1992	19 366	36 964	6.46
Oranjemund	Karas	T	>2000	na	4 451	na
TOTAL				424 928	603 612	3.51

Source: Compiled by the authors based on Groupe Huit/MoF (2001) and 2001 Census (RoN, 2003)

* Until 1994 Walvis Bay was under South African control.

Major changes in the functions of local authorities are, however, under way. One concerns the increasing interest in public-private partnerships for the provision of services such as refuse collection, cleansing services etc. As shown by Simon (1996), many councils relied on private companies to carry out some of their functions already by the mid-1990s. Interviews with council

¹¹ Annual average growth rate (%) = $\ln(x_{t+k}/x_t)/k * 100 = (\ln(\text{pop2001}/\text{pop1991}) / 10) * 100$

staff and councillors in Ondangwa and Outapi in January 2004 confirmed that this trend has continued because the councils' are under substantial fiscal stress. Some authorities, for example, try to reduce financial losses incurred in running specific services and to increase service levels by outsourcing functions. Furthermore, some councils simply do not have the staff to run certain functions and therefore need to outsource. The other major change arises from nationally driven restructuring of major services like electricity and water, reflected in the establishment of the parastatals Nampower and Namwater. They aim at improving cost recovery, efficiency and service levels for these sectors.

2.3 Trends in the provision of key services since independence¹²

There were major differences in the quality of and access to services between local authorities and between regions immediately after Independence. Indeed, such inequalities were also substantial within these jurisdictions. This is not surprising, given the pre-independence apartheid based institutional framework for service provision described above, and given that the South African colonial power at first actively discouraged in-migration to urban areas (see section 2.1), and later only set aside relatively limited funds for the provision of urban services to non-whites. It is also not surprising that, with the re-organisation of local authorities along non-racial lines after independence and with a government that is more actively pursuing broad-based provision of services, more non-white urban inhabitants have access to key local government services - such as water and electricity - today, as compared to ten years ago. How much the service provision situation has improved since then, however, still is in question.

Unfortunately, neither the government nor the MRLGH and the utility companies publish aggregate data on access to the main services provided through local authorities. Such data may be available in some councils, but even that is not certain.¹³ Countrywide statistics on service delivery are not collected either. In the absence of such information, it is necessary to use indicative evidence to analyse access to key services such as electricity and water in urban Namibia, including the urban population growth rate; the trend in the volume of electricity and water supplied to local authorities in the 1990s; the price trend for these utilities since independence compared with the consumer price index; and the volume of investments in the infrastructure for electricity and water distribution in local authority jurisdictions.

Firstly, there are urban population growth rates. Around independence in 1991, 27% of Namibia's population lived in urban areas - of which more than one-third lived in the capital (Melber, 1996). Based on the census of 1991, the annual urban growth rate was set at around 4.5%, but the basis for this figure is weak. Growth estimates for Windhoek, for example, vary between 3.9% and 10% (Tvedten & Mupotola, 1995:9). From table 2.1, we see that the annual average growth rate for Windhoek from the 1991 to the 2001 population census is 4.6%. The average population growth rate for municipal (M1 and M2) and town councils was 3.5%, but there are large differences between the local authorities. Whereas Henties Bay has experienced an annual population growth of 7.1%, Khorixas has seen an annual decline of 2.2%. Tvedten & Mupotola (1995:16) assumed an urban population growth rate of between 4.5% and 6.5%. At present, however, two major but opposite trends should be taken into account. One is that in-migration is probably on the increase compared to the early 1990s, when the migration restrictions of the apartheid era most likely still had an impact. The other is that the population growth rate for the country as a whole was above 3% at independence, but life expectancy is now falling significantly due to the HIV/AIDS pandemic (RoN, 2003). Hence, UNDP (2005) estimates the annual national population growth rate for the period 2003-15 to 1%, while the Census 2001 estimated 2.6% (RoN, 2003). In the following, we assume an average annual urban population growth rate of 3.5%, which

¹² This section draws on Fjeldstad & Therkildsen (2002).

¹³ Many municipalities and town councils, for example, do not have reliable information on household access to water within their jurisdiction.

is the average annual urban population growth rate for the period 1991-2001 as estimated from the Census data (see Table 2.1).

Secondly, there is the trend in the volume of key services supplied to local authorities, in the period 1990-98.¹⁴ Table 2.2 shows, for instance, that the annual growth rate of the electricity supply to local authorities has been around 7% since independence – i.e. higher than the estimated growth rate for the urban population. Consequently, access to electricity may have increased, assuming that the average domestic consumer buys a similar amount of electricity today as ten years ago.

The growth rate for water supply to local authorities (2.5%) in the same period, however, is well below the urban population growth rate of 3.5%. But the figures are more difficult to interpret for a number of reasons. The supply figures do not include water produced by the authorities themselves. Such ‘own’ production accounts for 10-20% of total consumption in Windhoek City Council, for example. But no overview of own production exists for all councils. Moreover, some councils have tried to promote water saving behaviour and this may have affected average household consumption. Droughts also affect consumption. Finally, changes in leakages in the water distribution pipelines over time may affect the observed water supply trend. Thus, although the figures in table 2.2 do not directly reflect the number of people with access to electricity and water, the trends may indicate that access to electricity has increased while access to water has decreased significantly during the period 1990-98.

Table 2.2 Electricity and water supplied, 1990-1998

Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	Annual Growth (%)
<i>Electricity, Total (a)</i>	1612	1718	1715	1495	1600	1660	1707	1707	1837	1.6
- of which to LAs (b)	608	650	715	778	845	887	955	955	1050	6.8
- of which to rural areas	10	12	14	21	24	28	33	33	44	18.5
<i>Water, total (b)</i>	41.3	42.4	46.1	44.3	48.7	56.8	51.4	48.8	-	2.4
- of which to LAs (c)	25.4	25.7	26.8	27.9	29.8	30.1	30.2	30.7	-	2.7

Source: Central Statistics Office (1994, table 11.1); Central Bureau of Statistics (1999, tables 11.1 and 11.4)

(a): Gigawatt hours (GWh).

(b): Million cubic metres; water supplied for domestic consumption

(c): Excluding Windhoek City Council, which supplies around 10-20% from own sources, and which in recent years has introduced various water conservation measures. Water supplied to game reserves, government institutions, tourist centres and ‘other’ is also excluded.

This conclusion is supported by the trends in electricity and water prices in the 1990s. Table 2.3 shows that both electricity and water prices have increased faster than the overall consumer price index (CPI), and that the cost of water in particular has increased substantially. Everything else being equal, this may have diminished the demand for water.

Third, there are indications that the proportion of the urban population living in informal settlement areas is growing (see chapter 3). Figures by Tvedten & Mupotola (1995:13-15) indicate that from 30% to 75% of the urban population in Northern towns lived in such settlements in 1995.

¹⁴ These are the most recent data we have gained access to.

In Windhoek the percentage was estimated 17-20% in 1995, and increased to 24% in 2000 (Gulyani & Connors, 2002:22).

Table 2.3 Consumer price index: all items, electricity and water, 1992-2001

Description	1992	1994	1995	1996	1997	1998	1999	2000	Annual growth (%)
All items	100	116.3	127.9	138.2	150.4	159.7	173.4	189.5	8.0
Electricity	100	103.6	128.5	139.9	157.4	169.0	180.5	198.1	8.5
Water	100	113.6	143.4	160.6	209.1	260.3	302.4	348.7	15.6

Source: Central Bureau of Statistics (1999, table 16.1a) for all items. The CPI for electricity and water is based on information specifically extracted by the CBS for this report.

The final piece of evidence, which provides useful insight into the provision of electricity and water, concerns the volume of investments in the distributional infrastructure by local authorities in these sectors in the 1990s. The investment growth rates for these sectors are unlikely to have kept up with urban population growth. This supports the view that service levels with respect to electricity and water have stagnated or actually declined in some urban councils since independence.

Despite the lack of solid data, the evidence presented above indicates that on aggregate for the country, key services provided through local authorities have not improved notably for electricity since independence and may actually have worsened with respect to water. Information on the trends for other services, such as sanitation and the provision of urban building plots, is not available. But there is little reason to expect that the provision of these services suggest a different picture than that outlined above. Nor is there, indeed, reason to believe that significant improvements in any services have occurred since 2000. It is likely that the overall supply of services in informal urban settlements has deteriorated. These conclusions are based on analyses of aggregate trends and average figures. As shown later in this report, a closer analysis of service delivery in Ondangwa and Outapi also shows that the inequality of provision has increased within the town councils since independence.

These facts point to serious problems with regard to the financing of the services that local authorities are supposed to provide. User charges have so far been major revenue sources. It is towards the features of these that we now turn.

2.4 The local government finance system

A major principle of local government in Namibia is that they should, ideally, be financially autonomous. Thus, the *Local Government Act 1992* allows for three types of local authorities: municipalities, town councils and village councils based on this one major principle only as it is spelled out at the beginning of the *Local Authorities Act, 1992* (see section 2.2). To obtain municipal status, a council must pay all costs related to the execution of its powers and functions out of its own funds. Town council status is obtained when a council is able to pay some of these costs. Village council status is obtained if it can perform specified mandatory functions, but there is no specific requirement for financial self-sufficiency stated in the act.

There are three interesting implications of the self-sufficiency principle. First, the classification of councils is not related to the population size of the council (see also Simon, 1996) as is the case in many other African countries. Second, since the principle is only stated in general

terms in the Act, it gives the Minister responsible for Regional and Local Government and Housing¹⁵ considerable power of discretion with respect to the classification of councils,¹⁶ as well as the upgrading and downgrading of councils depending on their financial situation. Finally, the financially self-sufficient municipal councils have a considerable degree of autonomy in running their affairs as shown below.

Namibia's 45 local authorities,¹⁷ which are established in the urban areas only, are learning to live with the situation outlined above:

- they aim - or are pushed - to operate on a full cost recovery basis for all services that they deliver, although some - mainly sector specific and area based - cross-subsidisation is made (the main parastatal utility service providers also cross-subsidise within their sectors);
- they generate most of their funds from user fees except for the more well established authorities which levy property taxes and sell land (erfs); and
- they receive limited funding from central government, and then mainly for specific investment projects on an *ad hoc* basis. There is also some recurrent cost support from the central government on an *ad hoc* basis.¹⁸

In other words, Namibian local authorities are forced, partly by default and partly due to political and historical reasons, to survive financially on their own without much financial support from the central government. They are, in a financial sense, relatively autonomous. This is quite remarkable. Namibia is one of the richest countries in sub-Saharan Africa and its public revenues are quite substantial. At the same time, the country has one of the highest income inequalities in the world. A proclaimed objective of SWAPO, the ruling party since independence, has been to provide services – also to the poor. SWAPO is also firmly entrenched politically, having won all national and the large majority of the local elections since Independence in 1990. Yet, central government has not developed a local government finance system that could help it to provide equal access to services across (and within) local authorities. Instead, local authorities rely mainly on user charges, especially on water and electricity, to obtain the revenues that are needed to finance their operations (Chirawu *et al.*, 1999:40-41). This revenue is generated by a surcharge added to the cost of the utilities that the local authorities typically buy from the utility companies, or, if the authority itself produces the utility, added to the cost of producing it. However, according to a recent study commissioned by the ministry responsible for local government (MRLGH, 2004:19), the majority of town councils are not determining their tariffs in accordance with an approved tariff policy. Hence, several trading services, including water distribution, are operated with significant losses in a number of local authorities. The situation is worsened by an increasing number of outstanding debtors in all local authorities, i.e. consumers who do not pay for basic services due to various reasons, including affordability.

A number of town councils therefore find it increasingly difficult to sustain their service levels without using their accumulated surpluses (*ibid*). This problem is developing in spite of the

¹⁵ Amendments to the act in 2000 transferred this power from the President to the Minister of RLGH.

¹⁶ Moreover, there are no specific criteria for the classification of municipalities into part I and part II councils.

¹⁷ 'Local government' and 'local authorities' are used interchangeably and refer to municipalities, town councils and village councils as specified in *The Local Government Act, 1992*. Regional councils are not regarded as local authorities in this report. These councils - currently central to the government's decentralisation efforts - are only dealt with in as far as they are important for understanding local authority financing. Traditional authorities are not dealt with either, as they are not important for service provision in urban areas. More detailed analyses of regional councils and traditional authorities are provided by Keulder (1997, 2000) and Töttemeyer (2000).

¹⁸ Newly established town councils received operational subsidies from the MRLGH until 2002. According to MRLGH (2004:14), however, these operational subsidies have since been terminated apart from in three councils, i.e. Eenhana, Outapi and Opuwo.

fact that the annual operational budgets of the newly established town councils often are boosted with a provision from the sale of land (erven) and transfers from the Capital Development Fund, which is normally utilised to fund new developments and capital projects (ibid.).

2.5 Summary

Namibia has a three-tier system of governance: central government, regional councils and local authorities. The *Local Authority Act of 1992* distinguishes between municipalities, towns and villages, with municipalities being the highest and most autonomous type of local authority. A major principle of local government in Namibia is that they should, ideally, be financially autonomous. This implies that Namibia's 45 local authorities

- aim - or are pushed - to operate on a full cost recovery basis for all services that they deliver, although some - mainly sector specific and area based - cross-subsidisation is made;
- generate most of their funds from user fees except for the more well established authorities which levy property taxes and sell land (erven); and
- receive limited funding from central government, and then mainly for specific investment projects on an *ad hoc* basis, although there might be some recurrent cost support from the central government on an *ad hoc* basis.

Local authorities rely mainly on user charges, especially on water and electricity, to obtain the revenues that are needed to finance their operations. This revenue is generated by a surcharge added to the cost of the utilities that the local authorities typically buy from the utility companies, or, if the authority itself produces the utility, added to the cost of producing it. However, the majority of town councils are not determining their tariffs in accordance with an approved tariff policy. Hence, several trading services, including water distribution, are operated with significant losses in many councils. The situation is worsened by an increasing number of outstanding debtors in all local authorities, i.e. consumers who do not pay for basic services due to various reasons, including affordability.

A number of town councils therefore find it increasingly difficult to sustain their service levels without using their accumulated surpluses. There are indications that on aggregate for the country, key services provided through local authorities have not improved notably for electricity since independence and may actually have worsened with respect to water. Information on the trends for other services, such as sanitation and the provision of urban building plots, is not available. But there is little reason to expect that the provision of these services suggest a different picture than that outlined above. It is likely that the overall supply of services in informal urban settlements has deteriorated. This problem is developing in spite of the fact that the annual operational budgets of the newly established town councils often are boosted with a provision from the sale of land (erven) and transfers from the Capital Development Fund, which is normally utilised to fund new developments and capital projects.

3 Urban poverty, housing and land tenure

This chapter provides an overview of main characteristics of the urbanisation process in Namibia, and discusses challenges facing policies regulating the upgrading of poor informal settlements, as reflected in the land tenure systems and the national housing policy.

3.1 Urbanisation and urban poverty

Due to the colonial policy of apartheid, urban areas have historically been located in the central parts of the country with the north functioning as a rural labour reserve area (Melber, 1996). While the principal towns of Windhoek and Walvis Bay still attract the largest number of migrants, the urbanisation rate in the north has increased substantially since independence to the current rate of 7.5% (Groupe Huit/MoF, 2001:12). There are considerable differences in the size of urban centres in Namibia, however (see Table 2.1). Windhoek is by far the largest urban centre housing 39% of the urban population in 2001, followed by Walvis Bay (7.2%), Rundu (6.1%) and Oshakati (4.7%). The population of Ondangwa makes up 1.8% (10,900 inhabitants) of Namibia's total urban population and Outapi 0.4% (2,640 inhabitants). The most urbanised regions are Khomas (with Windhoek CC) and Erongo (with Walvis Bay CC), where 93% and 80%, respectively, of the population live in urban areas (RoN, 2003). As many as 40% of the people residing in the Khomas region are migrants from the northern and central regions, which are primarily rural. This reflects the high rural-urban migration to the capital city. There is also a large inflow of migrants from the north to Walvis Bay and the Erongo region.

Rapid urbanisation in Namibia has occurred largely as a result of high rates of population growth, drought, and a decline in the ability of the land to support growing populations. Internal migration is largely based on first-generation migrants trying to make a new life for themselves in towns and cities (Tvedten & Pomuti, 1998). As is common in most developing countries, urban areas are perceived by the rural population to have better educational and medical facilities, better employment and economic opportunities than rural areas (Tostensen *et al.*, 2001; Pendleton & Frayne, 1998; Frayne & Pendleton, 2003). Moreover, during the period under South African rule the majority of the population in Namibia was restricted to settlement areas assigned according to ethnicity and land tenure patterns. Pass laws effectively prevented Black and Coloured people from moving into urban areas to search for employment or reside there without employment. When these restrictions were lifted, large-scale migration started to urban areas, away from the under-resourced communal areas.

Approximately 40% of the urban population in Namibia today live in informal settlements, with unemployment being a major problem particularly in the north. The current national unemployment rate is estimated at 31% (RoN, 2003). The highest unemployment rate is found among young people in urban areas, notably women. According to Tvedten & Pomuti (1998), the majority of the urban dwellers who cannot find employment in the formal sector seek livelihoods in the informal economy. This sector is relatively easy to enter since it operates on a smaller scale than the formal sector. However, access to housing is inadequate, and urban services such as water, electricity, sewage and waste disposal represent severe problems (NPC, 1998; Groupe Huit/MoF, 2001, 2002; Gulyani *et al.*, 2002). For instance, over 60% of the households in the informal settlements of Oshakati and Ondangwa live in corrugated iron shacks while the few brick houses tend to be in very poor condition. Sanitation is a serious problem in these areas, where a high number of people do not have access to any type of toilets. Even though urban-rural links remain important, there are indications that particularly the poorest sections of the population are increasingly encapsulated in urban areas.

3.2 The role of local authorities in the poverty reduction strategy

Although only circumstantial evidence exists to show that there are large inequalities in the services provided by local authorities and that these are, perhaps, widening, there is no doubt that poverty and unequal access to services in general are major problems. This was also acknowledged by the government when it approved the Poverty Reduction Strategy in 1998 (NPC, 1998), which focused on three central areas of poverty reduction: (a) a more equitable and efficient delivery of services ‘in the context of Namibia’s commitment to regional decentralisation’; (b) the acceleration of equitable agricultural expansion; and (c) employment creation outside agriculture.

With respect to service delivery the starting point for poverty reduction is that the standards presently provided in the richer regions are not affordable country-wide. Consequently, each line ministry engaged in service delivery is required to define – and estimate the costs and budgets for – nationally applicable minimum standards that are lower than the present standards in a region such as Khomas. The Central government then supports regions that do not have the finances to reach the national minimum standard. Regions and individuals seeking a higher standard of service would need to identify alternative (private or collective) sources of supplementary financing, for example through user charges or taxation (ibid. 21).

This approach has been technically feasible and similar to those pursued in other African countries (such as Tanzania and Uganda). However, neither the strategy paper nor the subsequent implementation plan for poverty reduction has received much attention in practice. Moreover, there is no mention of local authorities in the 1998 strategy. The more recent National Poverty Reduction Action Programme (NPC, 2004) refers to the role of Regional Councils and Development Committees, but makes no explicit reference to local authorities. Thus, a recent review states that co-operation with ALAN in the production of local economic development planning has yet to be done (ibid. 83).

Obviously, it is difficult to determine the reasons behind this failure. It could be an error of omission; a lack of information about the consequences of urbanisation for local authority finances and service provision; a deliberate decision to focus on poverty issues in rural rather than urban areas given budget constraints; a reluctance to come to grips with the hard and explicit choices that would need to be made in order to decide on specific national minimum standards; or a combination of all these reasons. Whatever the case may be, this impasse in dealing explicitly with the poverty issue – and with the role of local government in dealing with poverty in urban areas – may have serious consequences for local government finances.

In particular, it is likely that urban migration will further increase the financial burden of municipalities and town councils. In the absence of significant central government subsidies, the various local authorities have to carry the lion’s share of the costs from their internal resources when developing and upgrading poor informal areas through the instalment of infrastructure and provision of basic services (MRLGH, 2004:20). Although plans are in place in many local authorities, the process of developing and/or upgrading informal townships into (semi-)formal areas with demarcated stands, water supply, electricity and roads, has been very slow. This problem is partly due to the financial constraints facing many town councils, but also due to the characteristics of the land tenure system in Namibia, as discussed in the following section.

3.3 Land tenure and land rights

Land tenure systems

Roughly half of Namibia’s land is held under freehold title, while the rest is referred to as ‘communal land’. Until recently, communal land could not be held under freehold title and could therefore not be sold or mortgaged. It was commonly held under customary tenure controlled by the local traditional authorities. This also applied to land that was not registered in and around urban

settlements. With the establishment of additional local authorities in 1992, the land falling within the boundaries of the local authorities was placed under their jurisdiction. This shift from traditional authority to local government control had severe consequences for both traditional authorities and the residents in informal settlements. According to Juma & Christensen (2001), more than 45,000 families, particularly the poor in urban informal settlements today face problems regarding long-term security of land tenure rights in Namibia.

Customary rights to land were usually usufruct rights, which were granted upon payment of a nominal sum to the administrating traditional authority. This sum was ZAR 25-50 for smaller plots and up to ZAR 3,000 for the largest plots in Ondangwa, for example. Thereafter the occupier needed only to pay a symbolic ZAR 1 per year to reaffirm his/her right to occupy. In effect rights and obligations worked similar to a 99 year lease, meaning that family members could take over the plot. There were some restrictions to the tenure of the land, however. It could, for example, not be sold to third parties, nor could it be subdivided. If the land was no longer used it reverted back to the traditional authority. Despite these restrictions many residents in informal settlements who have occupied their land for many years feel that they 'own' their plots.

Changes in tenure systems in urban areas

With the takeover of the town councils these rights were overturned. From one day to another traditional 'owners' of land were declassified to being tenants, who rent plots from the local authority, and forthwith were liable to register with the local authority and to pay a monthly plot rent (N\$ 6-12). Their rights were greatly diminished in that they no longer are able to pass the plot on to family members without prior permission of the town council. More importantly, they can be evicted any time if the council decides to use the land for other purposes, such as for formal housing, industrial or business developments etc. Informal settlement dwellers are particularly vulnerable to eviction if they live in so-called 'impermanent houses' such as iron shacks or combinations of mud-brick/ iron sheet houses. Persons who have been thus affected will not be compensated for their apparent loss of security of tenure.

The position of traditional authorities

On the other side, traditional local authorities, too, have not been compensated for the loss of land and revenue previously emanating from their control over sections of land within the boundaries of the town councils. Other former revenue sources, such as fees for shops and other businesses for slaughtering of animals, have also been appropriated by town councils. Moreover, the revenue bases of traditional authorities have not been replaced by other sources, nor do they receive government salaries. Yet, traditional authorities are still recognised by central and local governments, and town councils rely on them for certain tasks. Traditional authorities still consider it their right to allocate and control communal land, although the new *Communal Land Act* of 2003 makes provision of Land Boards, which largely bypass them.¹⁹ In fact, the *Traditional Authorities Act* stipulates that any conflicts between the traditional authority regulations and central government regulations are to be solved in favour of the central government.

Compensation policies and practices

When town councils formalise informal settlements, residents who cannot afford the price of plots and brick houses and/or cannot afford connection to services, are forced to resettle in other informal areas. Theoretically, town councils should pay compensation to resettled residents who own permanent structures or traditional homesteads. Residents living in iron shacks are not recognised as owning property and they receive no compensation. Houses built with sun-dried mud-brick, but not

¹⁹ Interview with Senior Councillor, Ndogo Kingdom, Ondangwa, 6.02.04.

in a traditional kraal also receive no compensation. In case of relocation the latter category of dweller is provided with a new designated rental plot only where he/she again will have to pay plot rent. Shack dwellers are often moved from prime sites close to the business centre or the main road to more remote and unattractive areas where they will meet fewer services (often only communal water taps) and fewer business opportunities, particularly in the informal sector.

Compensation for permanent or traditional structures is not adequate. Residents in traditional homesteads are offered two options: monetary compensation for the productive land, at N\$ 200/ha, and N\$ 250/m² of floor space of dwellings constructed with bricks and iron sheets.²⁰ Hence, only part of the traditional dwellings that a traditional 'house' occupies is compensated for and the enclosed space, which holds many structures for various purposes, is not considered. The other option is compensation in kind, whereby alternative plots of land, either for agriculture or urban re-settlement are offered. Similar rules are followed for permanent structures in the informal settlements. The options are not attractive to residents, and in practice town councils often offer alternative plots only since they lack finances for monetary compensation. Many residents refuse to move to less attractive sites without adequate compensation. Shack dwellers rarely have such an option, since they cannot claim compensation.

Flexible urban land tenure

After Independence two land conferences identified security of tenure as one of the most crucial issues with regard to urban land. It was acknowledged that the majority of Namibians would be unable to purchase land and thus acquire title deeds. Therefore measures to simplify the costly and inflexible formal property registration procedures were proposed. As a consequence, a second property registration system parallel to and interchangeable with the existing system was developed. *The Flexible Urban Land Tenure System* is the result of years of research and pilot projects: it is intended to provide an affordable, more secure, but also simple land right which can be upgraded according to the needs and financial capabilities of the holders and the government alike. The *Flexible Urban Land Tenure Bill* was prepared in 1999, but was, at the time of our research still not promulgated. Potentially, the Bill will address the tenure security needs of poor urban communities living in informal settlements.

The *Bill* introduces two new types of tenure, namely a starter title, which is a statutory form of tenure registered in respect of a block of land, and the landhold title, a statutory form of tenure with all the important aspects of a freehold title, but without the lengthy procedures and complications. The first tenure allows for perpetual occupation of a plot as part of a group managed block, with somewhat restricted rights of transfer. Most importantly, the upgraded tenure with respect to group managed plots gives the right to mortgage it and thus to use it as collateral. While the Block in its entirety is registered under a centrally registered freehold ownership, the sub-plots are registered locally only, thus simplifying and shortening the registration process and making land registration cheaper while still providing security of tenure (see Juma & Christensen, 2001:6-7).

The *Flexible Urban Land Tenure Bill* will be one foundation of the operations of the Shack Dweller Federation of Namibia (SDFN), for example. The Federation already has started to negotiate blocks of land from the town councils or municipalities, and plans to offer members landhold titles to individual plots, while helping members to build upgraded permanent houses on the land. In fact, the saving groups of the SDFN have been following the development principles of what the *Flexible Urban Land Tenure* aims to achieve. The saving groups are voluntary associations in the SDFN network that buy and develop blocks of land and then give their members transferable rights pertaining to identifiable areas of land. The SDFN also negotiates land for the resettlement of shack dwellers, who cannot afford to build permanent houses under the flexible land tenure system.

²⁰ These data were obtained from the local traditional authority, Ondangwa. The government scheduled rates of 1992 (MRLGH) are much higher and more inclusive, however. Policy and practice thus seem to differ.

3.4 The national housing policy

The National Housing Policy of 1991 emphasises the need for partnership between public, semi-public, and private sectors, with the government acting as a facilitator rather than a direct provider of housing. The Government sees its role as mainly intervening in areas that are beyond the individuals' control, such as access to serviced land and finances. The policy advocates community participation in the planning, design and implementation of the housing policy.

Provision of affordable serviced land in an environment of secure tenure for low income households is part of the National Housing Plan. Regulation of informal settlements and the establishment of incremental development areas are also included in the Plan. Local authorities are encouraged to reduce the costs of developing land for housing by applying appropriate infrastructure standards and through cross subsidisation. The Plan also spells out that Local Authorities are encouraged to set aside areas for new migrants where they are allowed to build 'houses with temporary materials', which can be gradually improved over time. Local authorities are also encouraged to upgrade informal settlements without forcing residents out.

Thus, a town council may set aside land for the construction of *informal housing structures or buildings* (i.e. structures or buildings of a temporary nature, which are not dwelling houses), incremental houses or initial self-help dwellings as contemplated in the National Housing Development Act.²¹ However, experience has shown that this policy, where it was applied, largely failed during the 1990's, when the government experimented with the idea of 'reception areas'. These were intended as temporary places of residence until people could be properly resettled in accordance with policy guidelines (Gulyani *et al.*, 2002).

According to the World Bank, large scale land invasions happened even prior to the site lay-out, which meant that the councils could not contain growth within the boundaries of the set-aside areas, nor could families displaced by up-grading be actually resettled in these areas (Gulyani & Connors, 2002). For instance, in Okangwena, an informal settlement in Ondangwa, shack dwellers spontaneously left to secure plots in the newly designated areas for informal settlement when they heard rumours that the council intended to formalise Okangwena and evict shack dwellers unable (or unwilling) to upgrade shacks to brick houses.²²

Various programmes have been established to improve the housing and basic service delivery for the urban poor. The National Housing Programme *Build Together* was started in 1992. It was designed as a "People's Process of Housing". It is meant to offer poorer households the possibility to build houses according to their needs, priorities and resources. Later *Build Together* was decentralised to regional and local councils. In Ondangwa, for example, the programme was decentralised in 1998 and the Town Council took over sole responsibility in 2003.

Build Together provides soft loans to low-income households that are too risky for commercial banks or to people who lack the collateral demanded by commercial banks. Applicants should have a regular formal income, but should not earn more than N\$2000 per month. The interest rate depends on the loan amount, but is on average 5.5% p.a. The largest loan amount is N\$ 32,000 repayable over 20 years at an annual interest rate of 9%: this works out to a repayment rate of N\$287 per month. The cost of 'Build Together' houses is up to 40% lower than that of houses produced by contractors in the formal sector.²³ This is achieved by using informal and family labour, which are supervised by the Council.

Initially the *Build Together Programme* gave loans as a combination of loan and building materials up-front. This was changed after it was realised that loans were not repaid and that money ran out half way through the building process and resulted in many half build houses. Now loans are

²¹ National Housing Policy (draft), see RoN (2004).

²² Interviews, Okangwena, January 2004.

²³ Matthew Itewa, 'Housing the low-income population in Namibia. Increasing affordability by adopting appropriate building standards and materials.' Ministry of Regional and Local Government and Housing, Windhoek (no date).

disbursed in four instalments in line with progress in the building process. The first instalment is meant for the foundation and the windows, the second to put in door frames and to ready the house for roofing, the third instalment is for the roof, and the last instalment is to pay for plastering, toilet, water and electricity connection. Flush toilets, water and sewer connections are an obligatory feature of *Build Together* houses. A number of standard housing plans are available, but prospective homeowners can also draw up their own designs, which are evaluated by the Council and then accepted or rejected.

Build Together houses are meant to be built in formalised areas, since the design always includes connection to water, sewage and electricity. However, the Ondangwa Town Council, for example, ran out of building space in the formal areas and has accommodated approved loan receivers in the programme in informal settlements, such as in Okangwena. In this area service delivery is not yet completed and home-owners wait for connection to sewage, water and electricity. The fact that the *Build Together* houses are built on Council owned land, which is rented out to occupants, also poses serious problems as to the home-owners' rights to the plots (and the buildings). These can only be resolved if/when the area is formalised. Even then it is not clear if all residents will be able to afford plots. A large number of the borrowers are women (65% in Ondangwa between 2003/2004).²⁴ Moreover, many are council or government employees, a fact that seems to anger those who are lacking steady formal employment. In Ondangwa, for instance, the number of applications for *Build Together* loans by far has exceeded the supply. Hence, the number of rejected applicants has been twice the number of those who were successful.²⁵

The *Namibia Housing Action Group* (NHAG) and its partner the *SDFN* try to "empower the poor to negotiate and lobby for land through saving schemes and groups". They cater precisely for those residents of informal settlements who are not able access or afford *Build Together* loans. NHAG, as a trust, obtains funds for the activities of the SDFN and assists with the administration of the Twahangana Fund, which is operated by the SDFN. The organisation conducted a survey of 3000 households in informal settlements, which revealed that 36% of the sampled families were headed by women and that 70% were earning below N\$600. Moreover, the median income of female headed households (FHH) was 30-50% lower than those of male headed households (MHH). The organisation concluded that "conventional systems of recovering land development costs are not viable for the majority of people living in informal settlements", particularly for women.²⁶ The *Shack Dwellers Federation of Namibia* (SDFN) has been working on the basis of preparing members to take up loans. Members are grouped and initially encouraged to save money on a group administered bank account. In order to raise incomes the SDF provides business loans up to N\$ 500 at an interest rate of 2% p.m. Only when group members have a proven record of regular savings will the group agree to the granting of a loan for a brick or clay block house. A loan for a brick house is up to N\$ 15,000, with repayment over eleven years of between N\$150-200/month at an annual interest rate of 5%. Previously building loans of the Federation were pegged at 1% per month, but have been reduced to 0.5 % after a reduction of interest for *Build Together* loans. Unlike *Build Together* customers, SDFN clients just have to prove that they can save, rather than have a regular proven income. This opens the loans up to the many women who work in the informal economy. Hence, the vast majority of members are women (60-90%).²⁷

The Shack Dwellers Federation is also, as already mentioned, involved in negotiating plots for their members. In a number of municipalities and town councils the SDFN has negotiated plots from the council for members to build their houses (or shacks). The outstanding issue has been the passing of the Flexible Land Tenure Bill, which allows group tenure of group plots and offers an incremental and simplified way to obtaining land rights. The cooperation with councils potentially

²⁴ Interview with Town Council Ondangwa, 21.01.2004

²⁵ *ibid.*

²⁶ Document of the *Ministry of Regional and Local Government and Housing* (not dated).

<http://209.88.21.39/main/publications/CountryReport.asp>

²⁷ Itewa, *Housing the Low-income Population* (p. 11).

makes SDF a tool of council policy and action, which might not be in the interests of its members. In Ondangwa, for example, the Shack Dwellers Federation has become an essential part of the council plan to formalise Okangwena A. The SDFN is expected to handle both the up-grading of current plots via the awaited Flexible Urban Land Tenure and the resettling of members who cannot afford tenure/brick houses. In fact, even though the Federation has been helping 25,000 of its members with negotiating secure tenure, this still does not mean that these members are also able to afford loans to construct brick houses.

3.5 Summary

Rapid urbanisation in Namibia has occurred largely as a result of high rates of population growth, drought, and a decline in the ability of the land to support growing populations. Approximately 40% of the urban population live in informal settlements, with unemployment being a major problem particularly in the north. The current national unemployment rate is estimated to 31%. The highest unemployment rate is found among young people in urban areas, notably women. The majority of the urban dwellers who cannot find employment in the formal sector seek livelihoods in the informal economy. This sector is relatively easy to enter since it operates on a smaller scale than the formal sector. However, access to housing is inadequate, and urban services such as water, electricity, sewage and waste disposal represent severe problems.

With respect to service delivery, the starting point for poverty reduction is that the standards presently provided in the richer regions are not affordable country wide. Consequently, each line ministry engaged in service delivery is required to define – and estimate the costs and budgets for – nationally applicable minimum standards. However, no explicit role for local authorities is made in the poverty reduction action programme. This impasse may have potentially serious consequences for local government finances. In particular, it is likely that urban migration will increase the financial burden of municipalities and town councils. In the absence of significant central government subsidies, the various local authorities have to carry the lion's share of the costs from their internal resources when developing and upgrading poor informal areas through the instalment of infrastructure and provision of basic services.

Although plans are in place in many local authorities, the process of developing and/or upgrading poverty stricken informal settlements into (semi-)formal areas with demarcated stands, water supply, electricity and roads, is very slow. This problem is partly due to the financial constraints facing many town councils, but also due to the characteristics of the land tenure system.

Until recently, communal land could not be held under freehold title and could therefore not be sold or mortgaged. It was commonly held under customary tenure controlled by the local traditional authorities. This also applied to not registered land in and around urban settlements. With the establishment of additional local authorities in 1992, the land falling within the boundaries of the local authorities was placed under their jurisdiction, even though it was previously administered by traditional authorities. This shift had severe consequences for both traditional authorities and settlers in informal settlements. Firstly, traditional local authorities were not compensated for the loss of land and revenue emanating from their previous control over sections of land within the boundaries of the town councils. Secondly, informal settlement dwellers became particularly vulnerable to eviction, especially if they live in so-called impermanent houses such as iron shacks, traditional houses or combinations of mud-brick-iron sheet houses. Persons who have been thus affected are not compensated for their apparent loss of security of tenure.

When town councils formalise informal settlements residents who cannot afford the price of plots and/or cannot afford connection to services, are forced to resettle in informal areas. Theoretically, town councils should pay compensation to resettled residents who own permanent structures or traditional homesteads. Residents living in iron shacks are not recognised as owning property and they receive no compensation. Shack dwellers are often moved from prime sites close to the business centre or the main road to more remote and unattractive areas where they will meet

fewer services, often only communal water taps, and fewer business opportunities particularly in the informal sector. With respect to permanent structures (e.g. brick houses), compensation is rarely adequate, and therefore not attractive to residents.

Provision of affordable serviced land in an environment of secure tenure for low income households is part of the *National Housing Plan*. Regulation of informal settlements and the establishment of incremental development areas are also included in the Plan. Local authorities are encouraged to reduce the costs of developing land for housing by applying appropriate infrastructure standards and through cross subsidisation. The Plan also spells out that Local Authorities are encouraged to set aside areas for new migrants where they are allowed to build 'houses with temporary materials', which can be gradually improved over time. Local authorities are also encouraged to upgrade informal settlements without forcing residents out.

The *Flexible Land Tenure Bill* introduces two new types of tenure, namely the starter title and the landhold title. The first tenure allows for perpetual occupation of a plot as part of a group managed block, with restricted rights of transfer. The upgraded form also gives the right to mortgage the plot and thus to use it as collateral.

Various programmes have been established to improve the housing and basic service delivery for the urban poor. The National Housing Programme *Build Together* and the *Namibia Housing Action Group* (NHAG) and its subsidiary the *Shack Dwellers Federation of Namibia* (SDFN) cater precisely for those residents of informal settlements who are too risky for commercial banks and/or lack collateral. The *Shack Dwellers Federation* (SDF) has negotiated plots from the council for members to build their houses (or shacks). The co-operation with councils, however, potentially makes SDF a tool of council policy and action, which might not be in the interests of its members.

4 Socio-economic profiles of Ondangwa and Outapi

4.1 Introduction

Urbanisation in the communal areas in Northern Namibia took place much later than in the central and southern towns. The towns expanded largely as a result of the increased militarisation of the northern areas from the mid-1970s onwards. They became effectively segregated between formal and fully serviced white sections and non-developed informal settlements. Hence, some informal settlements grew when the South African Defence Force (SADF) soldiers, housed in barracks started to build shacks, where they kept their women and spent time when on leave from the army. Uupopo informal settlement in Ondagwa has such a history.²⁸ Residents in these informal settlements were generally only provided water services. The urban population in the north was thus initially mainly made up of soldiers working for the SADF and their families, people working in trade and industries servicing military structures, and people fleeing the war in rural areas both in Namibia and Angola (Tvedten & Pomuti, 1998).

The fact that the North Central Region²⁹ was the primary area of the war between SADF and SWAPO, created racial dislocation but also economic opportunities which led to the rapid growth particularly of Oshakati and Ondangwa. However, because of the war, development was skewed and artificial and could not be maintained after the withdrawal of the armed forces. In 1988, 22% of the population were employed by the armed forces. By independence, the majority of these people lost their jobs and joined the large numbers of former exiles who were settled in the Oshakati/Ondangwa nexus (Pendleton, LeBeau & Tapscott, 1993). The commercial sector remained skewed towards the supply of liquor to the soldiers. In 1990, 20% of all enterprises were liquor outlets. Today the number of liquor vendors might even have increased as the sale of homebrewed and bottled beer is the major source of income for women in informal settlements.

The ceasing of military operations after independence removed the main obstacles for people to move into the towns from the surrounding rural areas. Many people settled in informal settlements or shanties in the outskirts of the urban centres. In Oshakati, for instance, more than 35,000 people lived outside the formal urban boundaries in 1993, mainly in shanties on state-owned land. Currently, over 60% of the Oshakati urban population live in 9 informal settlements (Frayne & Pendleton, 2003). The informal areas often have poor housing and inadequate physical infrastructure. In the case of Oshakati, 64% of the households live in corrugated iron shacks while most of the few brick houses are in poor condition. The most common water source is communal water taps. There is also inadequate sanitation with over two thirds of the population in these settlements using the 'bush toilets' (Tvedten & Pomuti, 1998).

The rapidly growing informal settlements on the outskirts of the northern towns are generally associated with deforestation, increased waste management problems, crime, poverty, limited access to adequate sanitation and the spread of water-borne diseases. Hence, in recent years, several town councils in the north have surveyed large plots of land where they will re-locate squatters.

This chapter presents socio-economic profiles of the two case councils, Ondangwa and Outapi, based on a citizen survey which was carried out in April 2004 as part of our study. The two town councils themselves have not carried out resident surveys and socio-economic data are generally missing. According to Ondangwa Town Council's Strategic Plan for 2003-2008 (p. 11), "[p]resently, Ondangwa knows too little about the household characteristics of its residents, types of

²⁸ Interview, Uupopo 4 February 2004

²⁹ Previously known as the Owambo Homeland.

businesses and trends in the lives of its population... There is too little knowledge about the need for infrastructure investments, access to electricity, sanitation, water and social amenities. Data on availability, coverage and affordability of services is lacking. In the same vein demand for service levels and affordability are based on assumptions and guess work. Subsequently, a key challenge that has been identified is the lack of local authority preparedness for planning and robust decision making.” Hence, planning is often based on the impressions council management teams and councillors have of the town’s development needs, and they are often guided by political parameters rather than facts.

To our knowledge, this is the first citizen survey providing detailed socio-economic data for these councils. The survey covers 376 respondents; 214 in Ondangwa and 162 in Outapi. Each respondent provided an extensive characterisation of the members of their respective households. The total number of household members covered by the survey is 1,682 giving an average of 4.5 members per household. The survey covered formal and informal settlements in both case councils. The distribution of the respondents over settlements in the two respective town councils is given in Table 4.1.

Table 4.1 Settlements in Ondangwa and Outapi covered by the survey

Urban council	Settlements	Number of respondents	Share of respondents (in %)	Status of the settlement
Outapi	Outapi proper	75	19.9	Formal
Outapi	Onhimbu	80	21.3	Informal
Outapi	Kasikili	7	1.9	Informal
Ondangwa	Oluno	23	6.1	Formal
Ondangwa	Ondangwa	16	4.3	Formal
Ondangwa	Okangwena	36	9.6	Informal
Ondangwa	Uupopo	26	6.9	Informal
Ondangwa	Omakulukuma	14	3.7	Informal
Ondangwa	Omachaka	83	22.1	Informal
Ondangwa	Ondiyala	16	4.3	Informal
<i>Total</i>		<i>376</i>	<i>100,0</i>	<i>-</i>

Source: CMI & SSD/UNAM (2004)

The data presented in this chapter provides detailed information on the household characteristics of the residents, including size, education, employment status and position in the labour market, urban-rural links, and housing in formal and informal settlements, respectively. Moreover, the socio-economic profile provides information about citizens’ access to services, including electricity, sanitation, water and social amenities such as health services and schools.

4.2 Ondangwa Town Council

Ondangwa’s history goes back to the beginning of the last century as a Lutheran mission station, which was established in 1902. Finish missionaries have been in and around Ondangwa since then. Later on the central offices of the *Ovambo Native Commissioner* were based in Ondangwa. One of the more ambitious commissioners had plans to make the settlement a European dominated town. This almost happened when Ondangwa turned into a large military base of the *South African Defense Force* during the independence struggle, with the third largest airport in Namibia. At the time, much of the war was fought in Ovamboland, where SWAPO had a majority. However, dreams of becoming a ‘white’ town were dashed when the more important government offices moved to

Oshakati. The withdrawal of civil servants and soldiers arrested the development of the settlement as unemployment figures rose dramatically.

The first Ondangwa Town Council was elected in 1992 in accordance with the *Local Authority Act*. The town was proclaimed in 1997, and became an autonomous town council in 1998. Ondangwa is located in the Oshana region, and functions as a commercial centre for the North Central Region (NCR). The railway line currently under construction is expected to make Ondangwa a multi-modal transport hub of the NCR, further underpinning its central role in the region as a business centre. The town is situated in the Cuvelai area and is *not* surrounded by *oshanas*.³⁰

The population of the town started to expand in early 1970s when the war between South Africa and SWAPO liberation movement escalated. There was a huge influx of people from rural areas. Today, about 40% of the town's population live in informal settlements.³¹ Currently there are eight well established informal settlements in Ondangwa. These are Omwandi, Uupopo, Onguta, Omashaka, Omakulukuma, Omahene, Ondiyala, Heka and Okangwena. Our survey covers five of these (see Table 4.1), namely Okangwena, Uupopo, Omakulukuma, Omashaka and Ondiyala, of which Uupopo is the largest.

The type of dwellings found currently in the informal settlements has changed from predominantly iron shacks before independence to a combination of iron shacks and brick houses after independence. Most of the informal settlements in Ondangwa are loosely managed by *Informal Settlement Committees* on a voluntary basis. All committee members are elected, and their position often linked to the community needs. For example, *Okangwena Informal Settlement Committee* is composed of a chairperson, a secretary, two advisors, two health officers, garbage and refuse removal representatives, and one waterborne community toilets caretaker.

The Informal Settlement Committees are used by the town council as a link between the communities and the local authority. Their functions include among others: aid distribution in periods of drought, organising community meetings on behalf of the town council officials, dispute mediation between community members, and managing the existing services such as water points and community waterborne toilet facilities. Potable water is generally accessible, but access to basic sanitation facilities remains the main challenge for the town council. This problem is acute for the majority of poor households in the informal settlements. In Uupopo, for example, very few households have a pit latrine and the *oshanas* are used as toilets during the nights.

4.2.1 Demographic profile

The 2001 Population and Housing Census reports the total population of Ondangwa at 10,900 almost equally distributed between men and women (RoN, 2003:21).³² The average household size in the Oshana region is 5.4 persons, which include both rural and urban populations (ibid. 44). In our citizen survey, the 214 respondents in Ondangwa report 968 household members. This gives an average of 4.5 members per household, which is slightly lower than in the census. Of these 968 household members 54% are female and 46% male.³³ Table 4.2 shows that our sample of household members is skewed towards young people. Moreover, a relatively higher share of male household members is below school age (0 to 6 years). There are also more female than male household members in the age group 26 to 35.

³⁰ Oshanas are shallow, often vegetated, interconnected channels pans with very low gradients in which water accumulates, moves or stagnates, depending on the amount of rain and amount of water from Bie Platteau of Angola in a given season.

³¹ GTZ, SDPP-Service Delivery Promotion Project, Namibia. <http://www.gtz.de/sdpp/english/ondangwa.html>

³² See the discussion of the population size in footnote 1.

³³ The gender of 3 household members in Ondangwa is not reported in the survey data.

Table 4.2 Ondangwa: Composition of households by age and gender
(% of household members by column)

Age categories	in	Gender			Total
		Male	Female	Answer missing	
0-6		18.8	11.3	33.3	14.8
7-15		17.2	19.1	-	18.2
16-25		17.7	23.1	33.3	20.7
26-35		20.6	28.2	33.3	24.8
36-50		18.6	14.3	-	16.2
51-98		5.9	2.5	-	4.0
Answer missing		1.1	1.5	-	1.3
<i>N</i>		441	524	3	968

Of the 214 respondents in Ondangwa, 175 live in informal settlements. The survey data reveals that just over half of the households have 3-5 members, and the share of households of that size is larger in the informal compared to the formal settlements (Table 4.3). In the formal settlements, the spread of household size is more evenly divided between smaller, medium and larger families. Male and female headed households in the informal settlements, on the other hand, show very little variation in size. These data correspond to those presented by Tvedten & Pomuti (1994:27) for the informal settlements in Oshakati, which showed a slightly smaller share of households with 3-5 members (45%), equal for smaller and larger families. Thus, the share of very large households in Oshakati in 1994 was (7%), which is more than twice as high as the comparable figure in Ondangwa's informal settlements 10 years later.

Table 4.3 Ondangwa: Household size, formal and informal settlements/gender
(% of respondents by column)

Household size in categories	Status of settlement		Total
	Formal	Informal	
1-2	28.2	18.3	20.1
3-5	35.9	54.9	51.4
6-9	30.8	24	25.2
10-20	5.1	2.9	3.3
<i>N</i>	39	175	214

116 respondents in Ondangwa report being head of their respective households. Among these, there are a large number of female headed households (FHH) both in the formal and the informal settlements (Table 4.4). In the informal settlements women headed households are in majority (57%), while they in the formal settlements make up close to half of the households (45%).³⁴ This is substantially higher than the share of FHH (21.5%) recorded in a survey of the Oshakati/Ondangwa Nexus in 1992 (Pendleton *et al.*, 1993), and the FHH-share (27%) recorded in the National Census for informal settlements in Oshakati (NPC 1994:xiv). However, Tvedten & Pomuti (1994:22)

³⁴ A survey of households in the informal settlements in Ondangwa, conducted by the Town Council in 2003, revealed slightly lower figures for FHH in two of the larger informal settlements: 42% in Omashaka, a newer settlement, and 48% in Okangwena, an established informal settlement.

suggest that the share of female headed households is likely to be deflated in national official statistics. They argue that many women in informal settlements stay with men as cohabitants, and consequently acknowledge the man as the head of household, particularly if he is employed, even though he is not the rightful owner of the dwelling.

Table 4.4 Male and female headed households in Ondangwa
(% of respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
Male	55.0	42.7	44.8
Female	45.0	57.3	55.2
<i>N</i>	20	96	116

Table 4.5 shows that more than half of the respondents in Ondangwa, both in the formal and in the informal settlements describe their marital status as single. Moreover, cohabitation is more popular in the informal settlements, while marriage is more common among respondents living in the formal settlements.

Table 4.5 Ondangwa: Martial status in formal and informal settlements
(% of household members by column)

Marital status	Gender			Total	
	Male	Female	Answer missing		
Formal settlements	Single	50.0	52.7	-	51.4
	Married	31.5	29.1	-	30.3
	Cohabiting	7.4	7.3	-	7.3
	Divorced/separated	1.9	1.8	-	1.8
	Too young	1.9	1.8	-	1.8
	Answer missing	7.4	7.3	-	7.3
<i>N</i>	54	55	-	109	
Informal settlements	Single	48.7	59.0	-	54.4
	Married	22.8	15.2	-	18.3
	Cohabiting	21.1	15.5	-	17.8
	Divorced/separated	2.6	4.5	-	3.7
	Widowed	1.3	3.2	-	2.4
	Too young	0.9	1.3	50.0	1.3
Answer missing	2.6	1.3	50.0	2.0	
<i>N</i>	228	310	2	540	

Note: We have excluded household members that are deemed too young to marry, i.e. the age group 0-15, leaving a sub-sample of 649 persons.

Tvedten's and Pomuti's material from 1994 (p. 20) suggests that in the informal settlements in Oshakati marriage was much more common (58%) than our study revealed in Ondangwa today. Moreover, cohabitation was considerably less common (only 4%) in Oshakati in 1994 compared with our findings from Ondangwa in 2004. Moreover, while Tvedten & Pomuti (1994) suggest that female heads of household are more likely to be widowed or divorced while male heads of household are more likely to cohabit, our study finds that the differences between men and

women's marital status in the informal settlements have evened out. However, men in Ondangwa appear to be more likely to cohabit while women are more likely to stay single. Perhaps single men like to cohabit with single women and acknowledge this, while women are more likely to declare being single and count the cohabiting husband as a boyfriend or another dependent, particularly when he is not working or contributing to the household. Hence, a woman in her 40's described her cohabitating boyfriend as being "the one who does not contribute but finishes all the food first".³⁵

Our study also reveals that only 7% of the household members aged between 16 and 25 are either married or cohabitating. As many as 83% report to be single parent households in this age group. The number of single parent households is also high in the age group 26-25 (54%). This indicates that youth marriages are not very common among the household members surveyed.

It is also surprising that in Ondangwa the length of current relationships is almost the same in the formal and the informal settlements, with the exception that very short relationships are somewhat higher in the informal settlements. However, the assumption raised by Tvedten in the 1990's, that relationships in the informal settlements are more unstable than in formal settlements, does not necessarily hold for Ondangwa's informal settlements today.

Table 4.6 Ondangwa: Length of marriage or cohabitation (% of respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
0-2 years	11.1	17.5	16.3
3-5 years	33.3	30.0	30.6
6-10 years	27.8	21.3	22.4
11-20 years	16.7	22.5	21.4
20-46 years	11.1	6.3	7.1
Answer missing	-	2.5	2.0
<i>N</i>	18	80	98

Almost half of the respondents have relationships which have lasted less than 5 years (Table 4.6). This is consistent with the view often repeated in the informal settlements, that many of the households are headed by women who 'own' the dwelling and rent the plot, and thus remain put, while the men who come to live with the women change. If we look at the reasons why men and women came to the town, however, we find that these do not differ much between men and women. The main difference in this respect is that men are more likely to have come to town to work, while women, although listing 'search for work' as the main reason, are also more likely to come to town to join a husband. Based on the experiences from other countries, we would have expected that women also moved to town in order to avoid difficult situations with husbands or parents in their rural areas. But none of the respondents in Ondangwa, neither men nor women, quoted this as one of their motivations.

4.2.2 Education and position in the labour market

Combining the data on the household members' age and their highest level of education attained, education and age seems to be positively correlated until the age group 16 to 25 (Table 4.7). Thereafter this trend is reversing, i.e. higher shares of the currently young have progressed through to secondary school than the currently mature or old. The share of household members in Ondangwa that hold a university degree (diploma or degree) is only 3%.

³⁵ Interview Uuopo, Ondangwa, 2 February 2004.

Table 4.7 Ondangwa: Age and education in the households
(% of household members by column)

Description	Age in categories						Answer missing	Total
	0-6	7-15	16-25	26-35	36-50	51-98		
None	88.8	2.8	2.0	3.3	5.7	15.4	15.4	16.6
Primary	11.2	81.3	19.0	24.2	35.0	30.8	-	33.3
Secondary	-	15.3	75.0	62.1	44.6	30.8	53.8	42.9
Diploma	-	-	2.5	4.2	7.6	-	-	2.8
Degree	-	-	-	1.7	0.6	2.6	-	0.6
Adult education	-	-	-	1.3	1.9	2.6	7.7	0.8
Do not know	-	-	1.0	1.7	4.5	15.4	23.1	2.3
Answer missing	-	0.6	0.5	1.7	-	2.6	-	0.7
<i>N</i>	<i>143</i>	<i>176</i>	<i>200</i>	<i>240</i>	<i>157</i>	<i>39</i>	<i>13</i>	<i>968</i>

Female household members are markedly more likely to have attained secondary school, both in the formal and the informal settlements, than men (Table 4.8). However, men are more likely to have attained primary school or university education (diploma or degree) than women in formal settlements. In the informal settlements very few household members have attained university-level education.

Table 4.8 Ondangwa: Gender and education in formal and informal settlements
(% of household members by column)

Highest level of education	Gender			Answer missing	Total
	Male	Female			
None	-	3.8	-	-	1.9
Primary	39.0	27.8	-	-	33.3
Secondary	39.0	57.0	-	-	48.1
Formal settlement	15.6	8.9	-	-	12.2
Diploma	3.9	1.3	-	-	2.6
Degree	1.3	-	-	-	0.6
Adult education	-	1.3	-	-	0.6
Do not know	1.3	-	-	-	0.6
Answer missing	<i>77</i>	<i>79</i>	<i>-</i>	<i>-</i>	<i>156</i>
None	5.7	3.9	-	-	4.6
Primary	41.6	35.0	100.0	-	38.0
Secondary	43.8	56.2	-	-	50.8
Informal settlement	1.1	1.3	-	-	1.2
Diploma	0.4	0.3	-	-	0.3
Degree	0.7	1.3	-	-	1.0
Adult education	6.0	1.0	-	-	3.1
Do not know	0.7	1.0	-	-	0.9
Answer missing	<i>281</i>	<i>386</i>	<i>2</i>	<i>-</i>	<i>669</i>

Note: We have excluded household members below school age, i.e. the age group 0-6, leaving a sub-sample of 825 individuals.

Table 4.9 cross-tabulates the data on status in the labour market and age. More than 40% of the household members in the age group 16 to 25 are unemployed and are looking for work, compared to 30% of the household members in the age group 26 to 35 years. The average for the whole sample, independent of age, is 19%. Very few of the unemployed say that they are not looking for work.

Table 4.9 Ondangwa: Position in the labour market by age
(% of household members by column)

Description	Age in categories						Answer missing	Total
	0-6	7-15	16-25	26-35	36-50	51-98		
Wage employee	-	-	13.0	36.7	52.2	33.3	23.1	21.9
Self employed	-	-	3.0	14.6	20.4	7.7	-	7.9
Activities in informal sector	-	-	5.5	15.4	14.6	5.1	7.7	7.6
Unemployed, looking for work	-	2.3	41.0	29.6	10.2	7.7	53.8	18.9
Unemployed, not looking for work	-	0.6	3.5	2.1	1.3	5.1	-	1.8
Pensioner/retired	-	-	-	0.4	-	38.5	7.7	1.8
Disabled	-	-	-	-	0.6	2.6	-	0.2
Scholar/student	11.2	93.8	33.5	0.8	0.6	-	7.7	26.0
Too young	88.8	3.4	-	-	-	-	-	13.7
Answer missing	-	-	0.5	0.4	-	-	-	0.2
<i>N</i>	143	176	200	240	157	39	13	968

Table 4.10 Ondangwa: Status in the labour market in formal and informal settlements
(% of household members by column)

Status in labour market	Gender			Total	
	Male	Female	Answer missing		
Formal settlements	Wage employee	64.8	45.5	-	55.0
	Self employed	3.7	10.9	-	7.3
	Activities in informal sector	-	1.8	-	0.9
	Unemployed, looking for work	20.4	16.4	-	18.3
	Unemployed, not looking for work	-	1.8	-	0.9
	Pensioner/retired	3.7	3.6	-	3.7
	Scholar/student	7.4	20.0	-	13.8
<i>N</i>	54	55	-	109	
Informal settlements	Wage employee	38.6	20.6	-	28.1
	Self employed	8.8	15.5	-	12.6
	Activities in informal sector	8.8	17.1	-	13.5
	Unemployed, looking for work	28.1	30.3	50.0	29.4
	Unemployed, not looking for work	1.8	3.5	-	2.8
	Pensioner/retired	3.5	1.6	-	2.4
	Disabled	-	0.6	-	0.4
	Scholar/student	10.1	10.3	50.0	10.4
Answer missing	0.4	0.3	-	0.4	
<i>N</i>	228	310	2	540	

Note: We have excluded the age group 0-15, leaving a sub-sample of 649 persons.

While as many as 55% in the surveyed formal settlements are wage employees, this applies for only 28% in the informal settlements (Table 4.10). Moreover, almost none of the household members in the formal settlements are engaged in the informal sector or reported as unemployed and not looking for work. Both categories are much more frequently reported on household members in the informal settlements, and women are over-represented in both these groups. Men are over-represented in wage employment and under-represented in self-employment in both formal and informal settlements.

4.2.3 Urban-rural links

The vast majority of respondents in Ondangwa (81%), as can be assumed by the historical circumstances, have moved there from a rural area. Only 6% were born in Ondangwa and 13% in other urban centres. Almost 80% of the respondents were between 16 and 35 years old when they immigrated to Ondangwa, and the majority (79%) have arrived since 1990.

When Pendleton *et al.* conducted their 1992 survey in the Oshakati/Ondangwa nexus, 69% of their respondents, both peri-urban and urban settlers, named the search for employment as their main reason for immigration. The second most important reason was what the survey named 'Family reasons' (11%) followed by the war situation (8%) and looking for land (7%). Also in 2004, search for employment was cited as the most important reason for migrating to the town (73%). As many as 80% of the men gave this answer (Table 4.11). With the cessation of war, joining relatives, attending school, and marriage, particularly for women, have increased.

Table 4.11 Ondangwa: Reasons for immigration to the town (in % of respondents by column)

Description	Gender		Total
	Male	Female	
To find work	80.4	70.5	73.4
To join relatives	19.6	22.1	21.4
Attached to town life	13.7	15.6	15.0
To attend school	11.8	11.5	11.6
Got married (partner lives here)	2.0	9.8	7.5
Medical reasons (health care)	-	2.5	1.7
Drought	-	1.6	1.2
Other	9.8	14.8	13.3
<i>N</i>	51	122	173

Note: The respondents may report on several alternatives.

The respondents' relationship to their home village is very similar among formal and informal settlement dwellers. As many as 72% and 76%, respectively, say they visit their native village regularly, while 24% and 22% of either category visit it occasionally. A mere 2% admitted to never visiting their 'home' village, all of them residents in informal settlements. We had expected that informal settlement dwellers, because of the transient and often makeshift nature of their surroundings and their 'homes' would have stronger links to rural areas, but this appears less obvious than we assumed. Relationships to rural native homes are strong for both formal and informal settlement dwellers. However, almost 73% of the formal settlement dwellers considered Ondangwa their 'home' while 63% of the informal settlement dwellers shared this sentiment. Almost 40% of the latter category considered their stay in Ondangwa temporary.

The nature of the relationship to rural homes is almost the same for formal and informal residents, with two marked differences (Table 4.12). A larger share of the informal settlement

dweller maintains fields there regularly (90% against 79%). However, the share of formal settlement dwellers building homes in their rural areas is almost twice as high as for informal settlement dwellers (21% against almost 14%). Men and women's relationship to rural homes does not suggest a marked difference in homestead building, but a larger share of women than men maintain fields in their rural homes, keep children there and receive produce from there, suggesting that they maintain closer links.

Table 4.12 Ondangwa: Nature of relationship to native village (in % of respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
Maintain fields regularly	78.8	90.0	87.9
Children/parents live there	81.8	80.0	80.3
Bring remittances regularly	51.5	52.1	52.0
Receive produce regularly	24.2	20.7	21.4
Building homestead there	21.2	13.6	15.0
Other	3.0	2.9	2.9
<i>N</i>	33	140	173

Description	Gender		Total
	Male	Female	
Maintain fields regularly	78.4	91.8	87.9
Children/parents live there	72.5	83.6	80.3
Bring remittances regularly	51.0	52.5	52.0
Receive produce regularly	11.8	25.4	21.4
Building homestead there	15.7	14.8	15.0
Other	-	4.1	2.9
<i>N</i>	51	122	173

Note: The respondents may report on several alternatives.

The survey also indicates that men and women in both formal and informal settlements regularly send remittances to rural 'homes' (around 50% of the respondents). This suggests that rural areas do benefit from their relatives in urban areas, even if they live in informal settlements and are generally poor or have only limited resources. In fact, as many as 64% of the formal and almost 89% of the informal settlement dwellers in our sample judged their household consumption to be less than adequate. Only 10% of the informal settlement dwellers considered their actual needs to be covered. The corresponding figure for the formal settlements is 36%. In Ondangwa, remittances to rural areas featured amongst the most frequent and important monthly expenditure items for both formal and informal settlement dwellers (ranked as 4th and 5th priorities respectively, after food, water, school fees and transport).

4.2.4 Housing

Roughly half the dwellings are brick and the other half iron shacks (Table 4.13).³⁶ However, as expected, formal settlements have almost only brick buildings (92%), while informal settlements are divided between iron shacks (55%) and brick buildings (40%). This present picture from Ondangwa is slightly different from the one described for Oshakati ten years ago by Tvedten & Pomuti (1994). In Oshakati's informal settlements, 64% of the informal settlement dwellers lived in

³⁶ The other category comprises traditional dwellings and combinations of shack, brick and traditional.

iron shacks in 1994 (ibid. 33). In the Oshakati/Ondangwa nexus area, comprising formal and informal as well as urban and peri-urban areas, iron shacks comprised 55% of the dwellings in 1992 (Pendleton *et al* 1993).

Table 4.13 Ondangwa: Type of housing (in % of respondents by column)

Type of dwelling	Status of settlement		Total
	Formal	Informal	
Iron shack	5.1	55.4	46.3
Brick building	92.3	40.0	49.5
Other	2.6	4.6	4.2
<i>N</i>	39	175	214

A closer look at the two informal settlements in Ondangwa, the older Okangwena, part of which has recently been reserved for *Build Together* housing, and the much newer Omashaka, reveals that the number of shacks per settlement varies. While in Okangwena, 68% of the households live in brick buildings, the share of brick buildings in Omashaka is only 19%. Since traditional houses are no longer of any importance in urban areas, the remaining families live in iron shacks.

However, while there is a general perception that female heads of household are poorer and are less likely to be in formal employment, this is not reflected in their housing standards: In Okangwena, almost 49% of the brick houses were owned or headed by women. This means that 69% of all female heads of households have some sort of a brick house. In Omashaka where housing standards are generally much lower, women also owned 35% of the few brick houses.³⁷

According to our survey data, the sources of finance for brick houses (Table 4.14), come predominantly from the owners' own pockets (77%). *Shack Dwellers Federation* (SDF) and 'Build Together' loans financed only 12% of the brick houses in Ondangwa. Formal bank/building society loans make up another 11% of the financing sources. However, there are substantial differences between the formal and the informal settlements in this respect (Table 4.14). While almost 84% of the households in the informal settlements have funded their brick houses from 'own' sources, the corresponding figure for households in the formal settlements is 60%. Moreover, while 30% of the households in the formal settlements have received loans from banks or building societies, less than 4% of the households in the informal settlements have received such loans. Finally, a larger share of women (81%) have financed their brick houses from 'own' sources than men (68%).

Table 4.14 shows that the source of financing for brick dwelling comes predominantly from own resources in the informal settlements, while loans from '*Build Together*' play a small and loans from the Shack Dwellers Federation only a miniscule role. Furthermore, women appear to use own resources for brick buildings more often than men. Women also appear to receive loans from both the SDF and the '*Build Together*'. This coincides with information received from SDF, that its members are almost exclusively women: 'Men do not want to be associated with poverty, so they stay away.' The majority of loan takers of '*Build Together*' loans in Ondangwa are also women (104 women against 55 men).³⁸

³⁷ Data from the Ondangwa Town Council, 2003. The town council's survey listed all households in the settlements.

³⁸ Information from Ondangwa Town Council, *Build Together* section, February 2004.

Table 4.14 Ondangwa: Source of finance for brick buildings
(in %, the respondents may have funding from several sources)

Source of finance brick dwelling	Status of settlement		Total
	Formal	Informal	
Own resources	60.0	83.6	77.3
Shack dweller association loan	-	3.6	2.7
Build together loan	5.0	10.9	9.3
Bank/building society loan	30.0	3.6	10.7
Financial assistance from relative/friend	-	3.6	2.7
Financial assistance from employer	15.0	-	4.0
Other	10.0	5.5	6.7
<i>N</i>	20	55	75

Source of finance brick dwelling	Gender		Total
	Male	Female	
Own resources	68.2	81.1	77.3
Shack dweller association loan	-	3.8	2.7
Build together loan	-	13.2	9.3
Bank/building society loan	18.2	7.5	10.7
Financial assistance from relative/friend	-	3.8	2.7
Financial assistance from employer	4.5	3.8	4.0
Other	13.6	3.8	6.7
<i>N</i>	22	53	75

Perhaps not surprisingly, the desire to upgrade a shack to a brick building is greatest in the informal settlements. However, while half of all the formal settlement home owners say that an extension of their brick building is a priority, the corresponding figure is 27% in the informal settlements. Importantly, but not very surprisingly, only 14% of the homeowners in the informal settlements are happy with their housing (compared to almost 23% in the formal settlements). Interesting, however, is that when the data is broken down by gender, a larger share of men (40%) rather than women (29%) are willing to upgrade their shacks to permanent structures (Table 4.15).

Table 4.15 Ondangwa: Willingness to improve housing by gender
(in % of respondents by column)

Description	Gender		Total
	Male	Female	
Add rooms to my shack	11.5	9.2	9.9
Upgrade to a brick building	40.4	29.4	32.9
Add room to my brick building	25.0	33.0	30.4
No, I am happy	15.4	15.6	15.5
Other	5.8	11.0	9.3
Answer missing	1.9	1.8	1.9
<i>N</i>	52	109	161

The observation that residents in Ondangwa's informal settlements are willing and able to invest in improved housing might appear surprising since the rights to their plots have diminished as a result of the transfer of responsibility for plot allocation from the traditional authorities to the town

council (see chapter 3). As shown in table 4.16, almost all plots allocated before 1989 were acquired from the traditional authorities and previous holders. However, plots acquired after 1990 have increasingly been allocated by the town council, and the persons occupying them rarely hold any rights to the plot beyond renting it against a monthly plot rent.

Table 4.16 Ondangwa: Mode of plot occupation by year (in % of respondents by column)

Acquisition of plot by categories	Year plot occupied, by categories				Total
	1964-1989	1990-1999	2000-2004	Answer missing	
From the council	-	54.5	78.7	50.0	56.5
From the traditional authority	92.6	30.9	6.7	25.0	29.8
Bought from previous holder	3.7	7.3	-	-	3.1
Inherited from relatives	3.7	1.8	8.0	-	5.0
Other	-	5.5	6.7	-	5.0
Answer missing	-	-	-	25.0	0.6
<i>N</i>	27	55	75	4	161

The willingness to invest in land rented from the council is explicable only in the context of understanding of rights to plots. Actually, 71% of the respondents in Ondangwa believe that they have rights to their plot, of whom 90% believe that this right includes the right to pass the plot over to relatives and 76% believe that they can also sell it. While this is true for residents in the formal settlements, it is not so for informal settlement dwellers, whose reference point seems to be their understanding of traditional rights held under the Traditional Authority rules (which did, however, not include the right to sell and mortgage plots). Hence, there appears to be widespread confusion about title deeds and land rights, which might have come about by the change from the traditional authority to town council.

4.2.5 Service delivery

The following table reports the share of households that have access to each of the listed services.

Table 4.17 Ondangwa: The households' access to services
(in %; the respondents may report on all services)

Type of service	Status of settlement		Total
	Formal	Informal	
Water	100.0	100.0	100.0
Communal toilets	84.6	56.0	61.2
Garbage disposal	79.5	53.7	58.4
Electricity	87.2	14.9	28.0
Sewage	79.5	15.4	27.1
<i>N</i>	39	175	214

While all the respondents say their households have access to water (in one form or another), only 61% say they have access to electricity and 27% to sewage. The largest discrepancy in service delivery between the formal and the informal settlements in Ondangwa is for electricity, which is available for 87% of the households surveyed in the formal settlements, but only for 15% of the informal settlement dwellers. Sewage provision is the other service which shows a significant discrepancy between formal and informal settlements.

Table 4.18 reports the satisfaction with services and whether people have seen improvements in these services during the last three years. The results are ranked according to the improvement priority assigned by the respondents (i.e. the share of respondents who prioritise further improvement in each service; respondents could only select one). The top prioritised services to improve, according to the respondents in Ondangwa, are schools, health services and water supply. These are also the services that have the highest 'satisfaction rates' and for which most respondents have seen an improvement in recent years.

Table 4.18 Ondangwa: Satisfaction with service delivery (in % of the respondents)

Service delivery - Ondangwa	Satisfied	Improved	Improvement priority
Schools	36.9	52.3	36.9
Health services	33.2	40.2	15.4
Water supply	32.7	36.0	12.1
Electricity supply	17.3	24.3	9.3
Street lighting	14.5	25.7	8.4
Crime prevention	9.3	14.5	4.2
Road/streets	8.4	16.4	3.3
Market place	10.3	15.9	1.4
Refuse removal	14.0	13.6	1.4
Storm water drainage	0.9	1.4	1.4
Toilets/sanitation	15.9	12.6	1.4
Answer missing	-	-	4.7
<i>N</i>	214	214	214

'Satisfied' and 'Improved': Respondents report on all services

'Improvement priority': Respondents specify only one service

4.3 Outapi Town Council

Outapi is the regional centre of the predominantly rural populated Omusati region.³⁹ According to the 2001 Population and Housing Census, the total population of Outapi is 2,640 equally distributed between men and women (RoN, 2003:21).⁴⁰ It is one of the fastest growing urban centres in Namibia. About 50% of the population live in two informal settlements. The town was promulgated in 1997, and received autonomy from the central government in July 2002 (Outapi TC, 2003:13). The town has been selected by the Ministry of Regional and Local Government and Housing (MRLGH) to spearhead the implementation of Namibia's decentralisation policies.

4.3.1 Demographic profile

The average household size is estimated at 5.9 persons in the Omusati region (RoN, 2003:44). In our survey, the 162 respondents in Outapi town council reported 714 household members, which give an average of 4.4 persons per household (Table 4.19). This figure is lower than in the census, but the census covers the whole region, both rural and urban areas. In general, the average rural

³⁹ According to the Census 2001, the Omusati Region has a population of 228,842 (RoN, 2003:19). The name 'Omusati' is an Oshiwambo word which means 'mopane tree'. These trees used to dominate the landscape during the 1960s. However, as the rural population increased and more land for mahangu (pearl millet) was required, the number of mopane trees decreased.

⁴⁰ See discussion of the population size in footnote 1.

household is larger than the average urban. Of the 714 household members in our sample, 44% are male and 56% female,⁴¹ which corresponds well with the 2001 Census.

Table 4.19 Outapi: Composition of households by age and gender
(in % of household members by column)

Description	Gender		Answer missing	Total
	Male	Female		
0-6	12.7	13.6	-	13.2
7-15	16.8	16.1	-	16.4
16-25	25.0	29.0	100.0	27.3
26-35	23.1	26.4	-	24.9
36-50	14.9	13.6	-	14.1
51-98	6.3	1.3	-	3.5
Answer missing	1.3	-	-	0.6
<i>N</i>	<i>316</i>	<i>397</i>	<i>1</i>	<i>714</i>

From table 4.20, we see that Outapi has more female headed households (FHH) in the formal settlements (51%) while male headed households (MHH) predominate in the informal settlements (56%). In Ondangwa the situation was reversed (see section 4.2.1). Generally, we would expect the number of FHH to be smaller in the formal settlements.

Table 4.20 Outapi: Male and female headed households (in % of respondents)

Description	Status of settlement		Total
	Formal	Informal	
Male	48.9	56.3	52.6
Female	51.1	43.8	47.4
<i>N</i>	<i>47</i>	<i>48</i>	<i>95</i>

Table 4.21 Outapi: Household size in formal and informal settlements
(in % of household members)

Description	Status of settlement		Total
	Formal	Informal	
1-2	21.3	32.2	27.2
3-5	48.0	47.1	47.5
6-9	29.3	16.1	22.2
10-20	1.3	4.6	3.1
<i>N</i>	<i>75</i>	<i>87</i>	<i>162</i>

In Outapi, a larger share of the households in the informal settlements tends to be either very small or very large unlike in the formal settlements where a larger share of the households has 6-9 members (Table 4.21). Almost half of all households in both the formal and the informal

⁴¹ The gender of 1 household member is not reported in the survey data.

settlements have 3-5 members. When we look at male and female headed households in the informal settlements only, we observe that about 91% of the female headed households have between 1 and 5 members, compared to 67% of the male headed households (Table 4.22). Moreover, 33% of the male headed households have 6-9 members compared to 5% of the FHH. This is quite different from Ondangwa where there are very few differences between male and female-headed households in the informal settlements, and much fewer households have 1-2 members only.

Table 4.22 Outapi: Household size in MHH/FHH in informal settlement only
(in % of household members)

Household size in categories	Gender		Total
	Male	Female	
1-2	40.7	47.6	43.8
3-5	25.9	42.9	33.3
6-9	33.3	4.8	20.8
10-20	-	4.8	2.1
<i>N</i>	27	21	48

Table 4.19 showed that our sample of household members is skewed towards young people (0-25 years) with little variation between men and women. Moreover, about half of the men and women of marriageable age in Outapi's informal settlements are single.

Only 4% of the household members in the age group 16 to 25 years are either married or cohabitating. This indicates that youth marriages are not very common among the household members surveyed in Outapi. In both the formal and the informal settlements, women are clearly over-represented in the groups of single, divorced and widowed (Table 4.23).

Table 4.23 Outapi: Marital status (in % of household members)

Marital status	Gender			Total	
	Male	Female	Answer missing		
Formal settlements	Single	66.3	77.5	100.0	73.2
	Married	28.3	16.2	-	20.9
	Cohabiting	3.3	2.8	-	3.0
	Divorced/separated	-	0.7	-	0.4
	Widowed	2.2	2.8	-	2.6
<i>N</i>	92	142	1	235	
Informal settlements	Single	65.6	70.8	-	68.3
	Married	20.6	13.9	-	17.2
	Cohabiting	11.5	10.9	-	11.2
	Divorced/separated	0.8	1.5	-	1.1
	Widowed	0.8	2.2	-	1.5
Do not know	0.8	0.7	-	0.7	
<i>N</i>	131	137	-	268	

Note: we have excluded household members that are deemed too young to marry, i.e. the age group 0-15, leaving a sub-sample of 503 persons.

According to our respondents (Table 4.24), the majority of relationships in Outapi's informal settlements are between 3 and 10 years, while in the formal settlements relationships between 10 and 20 years are more frequent. However, overall there are no marked differences in the length of

time partners stay together across settlements. In Ondangwa (see section 4.2.1), the duration of current relationships of the respondents worked the other way around, with the informal settlement dwellers attesting to frequently either shorter or longer relationships.

Table 4.24 Outapi: Length of current relationship (in % of the respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
0-2 years	10.7	9.4	10.0
3-5 years	25.0	31.3	28.3
6-10 years	28.6	34.4	31.7
11-20 years	28.6	15.6	21.7
20-46 years	7.1	9.4	8.3
<i>N</i>	28	32	60

4.3.2 Education and position in the labour market

Combining the data on household members' age and the highest level of education attained, the two seems to be positively related with respect to secondary school education (Table 4.25). A larger share of the age group 16-25 years has secondary school than the older age groups. However, with respect to university education (diploma and degree), the age group 36-50 years, is the relatively best educated. The share of household members in Outapi that hold a university degree is 7.5% (diploma or a degree).

Table 4.25 Outapi: Age and education within households (in % of household members)

Description	Age in categories						Answer missing	Total
	0-6	7-15	16-25	26-35	36-50	51-98		
None	87.2	0.9	4.1	2.2	3.0	16.0	-	14.3
Primary	11.7	83.8	20.0	24.7	34.7	44.0	50.0	33.6
Secondary	-	10.3	67.2	56.2	42.6	12.0	50.0	40.8
Diploma	-	-	3.6	12.4	14.9	8.0	-	6.4
Degree	-	-	-	2.2	4.0	-	-	1.1
Adult education	-	-	-	-	-	8.0	-	0.3
Do not know	-	-	0.5	-	-	-	-	0.1
Answer missing	1.1	5.1	4.6	2.2	1.0	12.0	-	3.4
<i>N</i>	94	117	195	178	101	25	4	714

Female household members in Outapi are markedly more likely than men to have attained secondary school, both in the formal and the informal settlements (Table 4.27).

Table 4.26 Outapi: Level of education in formal and informal settlements
(in % of household members)

Highest level of education		Gender			Total
		Male	Female	Answer missing	
Formal settlement	None	0.8	-	-	0.3
	Primary	37.8	26.7		31.2
	Secondary	41.7	58.9	100.0	51.9
	Diploma	16.5	11.1	-	13.3
	Degree	2.4	2.8	-	2.6
	Adult education	0.8	-	-	0.3
	Answer missing	-	0.6	-	0.3
<i>N</i>		<i>127</i>	<i>180</i>	<i>1</i>	<i>308</i>
Informal settlement	None	5.4	6.7	-	6.1
	Primary	47.0	38.7	-	42.6
	Secondary	38.9	44.8	-	42.0
	Diploma	1.3	1.8	-	1.6
	Adult education	0.7	-	-	0.3
	Do not know	0.7	-	-	0.3
	Answer missing	6.0	8.0	-	7.1
<i>N</i>		<i>149</i>	<i>163</i>	<i>-</i>	<i>312</i>

Note: We have excluded household members below school age, i.e. the age group 0-6, leaving a sub-sample of 620 persons.

The total share of unemployed who are looking for work in Outapi is 9%, but highest for household members aged 16 to 35 years (over 16%). Almost 65% of the respondents in the age group 35-50 years are wage employees, compared to only 17% for the age group 16-25 years (Table 4.27).

Table 4.27 Outapi: Labour market status (in % of household members)

Description	Age in categories						Answer missing	Total
	0-6	7-15	16-25	26-35	36-50	51-98		
Wage employee	-	-	17.4	40.4	64.4	44.0	50.0	25.8
Self employed	-	-	8.7	12.4	17.8	8.0	25.0	8.4
Activities in informal sector	-	-	9.2	18.5	10.9	8.0	-	9.0
Unemployed, looking for work	-	-	16.4	16.9	1.0	4.0	25.0	9.1
Unemployed, not looking for work	-	-	5.1	7.9	4.0	4.0	-	4.1
Pensioner/retired	-	-	-	-	-	24.0	-	0.8
Disabled	-	0.9	1.0		1.0	4.0	-	0.7
Scholar/student	11.7	94.0	37.9	2.2	1.0	-	-	28.0
Too young	88.3	1.7	0.5	-	-	-	-	12.0
Answer missing	-	3.4	3.6	1.7	-	4.0	-	2.1
<i>N</i>	<i>94</i>	<i>117</i>	<i>195</i>	<i>178</i>	<i>101</i>	<i>25</i>	<i>4</i>	<i>714</i>

Not surprisingly, the majority of household members in the formal settlements (51%) are wage employees, compared to only 24% in the informal settlements (Table 4.28). In particular, the share of wage employees among female household members is higher in the formal settlements (45%) than in the informal ones (18%).

Table 4.28 Outapi: Labour market status in formal and informal settlements
(in % of household members)

Status in labour market		Gender			Total
		Male	Female	Answer missing	
Formal settlements	Wage employee	58.7	45.1	100.0	50.6
	Self employed	7.6	2.1	-	4.3
	Activities in informal sector	2.2	9.9	-	6.8
	Unemployed, looking for work	6.5	10.6	-	8.9
	Unemployed, not looking for work	4.3	4.9	-	4.7
	Pensioner/retired	3.3	-	-	1.3
	Disabled	1.1	-	-	0.4
	Scholar/student	16.3	26.8	-	22.6
	Too young	-	0.7	-	0.4
<i>N</i>		92	142	1	235
Informal settlements	Wage employee	30.5	18.2	-	24.3
	Self employed	21.4	16.1	-	18.7
	Activities in informal sector	11.5	24.1	-	17.9
	Unemployed, looking for work	16.0	16.8	-	16.4
	Unemployed, not looking for work	4.6	8.8	-	6.7
	Pensioner/retired	1.5	0.7	-	1.1
	Disabled	1.5	0.7	-	1.1
	Scholar/student	9.9	9.5	-	9.7
	Answer missing	3.1	5.1	-	4.1
<i>N</i>		131	137	-	268

Note: We have excluded the age group 0-15, leaving a sub-sample of 503 persons.

4.3.3 Urban-rural links

As in Ondangwa, the vast majority of residents in Outapi (86%) moved there from a rural area. The percentage of those who moved in from other urban centres also levels with Ondangwa. However, although the number of those born in urban centres is low for both councils, Outapi as the younger urban centre has correspondingly fewer residents who were born there. The reasons for immigrating to Outapi are also somewhat different to those in Ondangwa (Table 4.29).

Table 4.29 Outapi: Reasons for immigrating to town (in % of the respondents by column)

Description	Gender		Total
	Male	Female	
To find work	47.1	53.9	51.4
To join relatives	7.8	16.9	13.6
Attached to town life	9.8	9.0	9.3
Got married (partner lives here)	-	11.2	7.1
To attend school	3.9	5.6	5.0
Problems in marriage/parents	2.0	-	0.7
Other	31.4	9.0	17.1
<i>N</i>	51	89	140

Note: The respondents may report several alternatives

Relatively fewer Outapi residents immigrated in search of employment, even though this is still the main reason given for both formal and informal settlement dwellers (51% in Outapi against 73% in Ondangwa). Joining relatives and attending school were important reasons for the Ondangwa residents to immigrate, but they are much less important in Outapi. Only 19% of the respondents gave these reasons in Outapi against 33% in Ondangwa. Gender differentials are also insignificant: women are somewhat more likely to have immigrated in search of work, to join relatives or to get married (none of the male respondents came to Outapi to join a partner). If finding work only motivated half the population of Outapi to leave the rural areas, and other reasons do not feature strongly, there must be other motivations for immigration than those listed in the survey. An indication of this is that 31% of the male respondents report 'other reasons' for immigration than the alternatives mentioned.

Data on the nature of the relationship Outapi's residents have to their rural village is equally different, compared to the data from Ondangwa (Table 4.30).

Table 4.30 Outapi: Relationship to native village (in % of the respondents)

Description	Status of settlement		Total
	Formal	Informal	
Yes, I visit it regularly	72.4	57.3	63.6
Yes, I visit it occasionally	20.7	35.4	29.3
No, never visit it	5.2	4.9	5.0
Answer missing	1.7	2.4	2.1
<i>N</i>	58	82	140

Note: The respondents may report several alternatives

What is surprising in Outapi is that while amongst the formal settlement dwellers 72% visit their rural homes regularly (which equals the figure for Ondangwa), the informal settlement dwellers visit their native villages to a lesser extent (Table 4.30). Only 57% visited regularly (against 76% in Ondangwa), but they prefer to go there occasionally (35% in Outapi against 22% in Ondangwa). The share of those who claim to have no contact to rural homes is also higher in Outapi (5% overall, against almost 2% in Ondangwa).

With respect to the nature of the respondents' relationship to their rural homes, we find further remarkable differences between Outapi and Ondangwa (Table 4.31).

It is striking that only 46% of the respondents in Outapi maintain fields regularly in their native village (Table 4.31). There are no marked differences between formal and informal residents, while there is a slight difference between male and female respondents in that women maintain fields more regularly. That women are more likely to maintain fields follows the trend in Ondangwa, yet the share who do so is substantially smaller: only half of all women maintain fields in Outapi (as compared to 92% in Ondangwa). Likewise the share of respondents who have children/parents in rural areas is only a third of the comparable figure in Ondangwa.

Table 4.31 Outapi: Nature of the relationship to rural home
(in %; the respondents may report several alternatives)

Description	Status of settlement		
	Formal	Informal	Total
Maintain fields regularly	46.6	46.3	46.4
Bring remittances regularly	58.6	24.4	38.6
Children/parents live there	37.9	26.8	31.4
Receive produce regularly	19.0	14.6	16.4
Building homestead there	6.9	1.2	3.6
Other	3.4	3.7	3.6
<i>N</i>	58	82	140

Description	Gender		Total
	Male	Female	
Maintain fields regularly	39.2	50.6	46.4
Bring remittances regularly	52.9	30.3	38.6
Children/parents live there	27.5	33.7	31.4
Receive produce regularly	21.6	13.5	16.4
Building homestead there	5.9	2.2	3.6
Other	3.9	3.4	3.6
<i>N</i>	51	89	140

Remittances to rural areas are sent from the formal settlement dwellers of Outapi, which also is the case for Ondangwa (59% against 52%). Only 24% of the respondents in Outapi's informal settlements, however, send remittances to their rural homes regularly, with men being overall well ahead of women (53% of men against 30% of women). Comparable figures in Ondangwa were 52% overall, no matter if the settlement is formal or informal or the respondents male or female. Likewise, the benefits from rural contacts, mainly agricultural produce, are much less common in Outapi. Only 16% of the respondents in Outapi said that they receive produce from rural areas, and this is more common among the formal settlement dwellers and male respondents compared to the informal settlement dwellers and women. In Ondangwa, however, produce from rural areas favours women and both formal and informal settlement dwellers alike. Also, in aggregate a smaller share (in %) of Outapi residents are building homes in their rural village (less than 4% in Outapi against 15% in Ondangwa).

These findings indicate that residents in Outapi are more rooted in town. However, the response to the question on whether or not people consider Outapi their home indicates that the relationship to rural areas appears stronger in Outapi compared to Ondangwa (Table 4.32).

Table 4.32 Outapi: Is town home? (in % of respondents by column)

Description	Status of settlement		
	Formal	Informal	Total
Yes, it is home for me	60.3	58.5	59.3
No, I am here only temporarily	39.7	41.5	40.7
<i>N</i>	58	82	140

In Outapi, the formal settlement dwellers were more likely to designate their stay as temporary (41%), compared to their counterparts in Ondangwa (27%). Moreover the responses in formal and

informal settlements are almost the same, suggesting that in Outapi the assumption that formal settlements equal permanency, while informal settlement signifies a transitory state does not necessarily hold.

4.3.4 Housing

Although the informal settlements in Outapi may not give the impression of housing largely permanent town dwellers, its residents live predominantly in permanent brick houses (Table 4.33).⁴²

Table 4.33 Outapi: Type of dwelling in formal/informal settlements
(in % of respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
Iron shack	5.3	25.3	16.0
Brick building	92.0	66.7	78.4
Other	2.7	8.0	5.6
<i>N</i>	75	87	162

While the distribution of various housing types corresponds almost exactly with Ondangwa in the formal settlements, this is not the case for the informal settlements. In Outapi, only 25% of the informal settlement dwellers live in iron shacks (compared to 55% in Ondangwa). The large number of brick buildings in the informal settlements is not due to loans from the SDF or *Build Together* (Table 4.34). In fact these organisations do not feature at all in the informal settlements. Instead they have financed 30% of the houses in Outapi's formal settlements (compared to only 5% in Ondangwa's formal settlements, and 15% in the informal settlements). Brick houses in Outapi's informal settlements are financed almost exclusively by own resources (96%).

Table 4.34 Outapi: Source of finance for brick dwelling
(in %; the respondents may report several financial sources)

Source of finance brick dwelling	Status of settlement		Total
	Formal	Informal	
Own resources	24.0	95.5	57.4
Shack dweller association loan	2.0	-	1.1
Build together loan	28.0	-	14.9
Bank/building society loan	32.0	-	17.0
Financial assistance from employer	12.0	-	6.4
Other	4.0	2.3	3.2
<i>N</i>	50	44	94

Source of finance brick dwelling	Gender		Total
	Male	Female	
Own resources	54.3	59.3	57.4
Shack dweller association loan	-	1.7	1.1
Build together loan	8.6	18.6	14.9
Bank/building society loan	17.1	16.9	17.0
Financial assistance from employer	11.4	3.4	6.4
Other	5.7	1.7	3.2
<i>N</i>	35	59	94

⁴² The other category comprises traditional dwellings and combinations of shack, brick and traditional.

In Outapi, as is the case in Ondangwa, loans of the *Shack Dwellers Federation* are taken by women only, and women also make up the majority of 'Build Together' clients (Table 4.34). Surprisingly, there is no difference between male and female use of commercial loans, contrary to Ondangwa where the bulk of the commercial housing loans are taken by men.

A larger share of Outapi residents are happy with their housing than is the case in Ondangwa (25% in Outapi against 16% in Ondangwa). The share of respondents who wish to engage in various upgrading projects is therefore correspondingly smaller. Looking at gender differences with regard to the desire to upgrade, we note that women are more likely than men to improve brick buildings (59% amongst women against 41% among men). In Ondangwa, we do not observe similar gender gaps.

In both Ondangwa and Outapi the same proportion of the respondents consider that household consumption relative to need is not adequate, and only about 1% of the residents in formal and informal settlements are satisfied with their resources. Moreover, home improvements do not feature on the respondents' lists of important expenditures. For the respondents in Outapi, the most important (and significant) monthly expenditures were food, water, electricity and site/property rent. Apart from food and water, these were ranked lower by the respondents in Ondangwa.

Table 4.35 Outapi: Acquisition of plot by year (in % of respondents by column)

Acquisition of plot, in categories	Year plot occupied, in categories				Total
	1964-1989	1990-1999	2000-2004	Answer missing	
From the council	-	27.6	75.7	50.0	37.3
From the traditional authority	92.0	62.1	10.8	16.7	50.8
Bought from previous holder		3.4	10.8	-	4.8
Inherited from relatives	4.0	1.7	2.7	-	2.4
Other	-	3.4	-	-	1.6
Answer missing	4.0	1.7	-	33.3	3.2
<i>N</i>	25	58	37	6	126

Outapi's better housing standards, also in the informal settlements, is not matched by a clear understanding of their rights to plots with 70% of the formal and 79% of the informal settlement dwellers thinking they have such rights. However, substantially fewer residents in the informal settlements in Outapi compared to those in Ondangwa think that these rights include rights of selling their plot or passing it on to relatives (45% in Outapi and 54% in Ondangwa, respectively). Given that Outapi town council has been in existence a shorter time (Table 4.35), half of all the respondents acquired their plots from the traditional authorities (in Ondangwa the comparable figure is 30%), predominantly between 1990 and 1999 (62% in Outapi compared to 31% in Ondangwa). Moreover, unlike in Ondangwa where overall plot occupation has consecutively increased over the years, and peaked between 2000 and 2004, the reverse trend seems to be the case for Outapi from 1990 onward. This suggests either an unwillingness to acquire plots from the town council or a shortage of plots the council has been able to allocate. This trend is remarkable, considering that Outapi is the fastest growing town in the North.⁴³

⁴³ This may also be a result of non-random sampling, i.e. an over-representation of dwellings bought prior to 1999.

4.3.5 Service delivery

Almost all the respondents in Outapi have access to water (Table 4.36). The coverage of electricity is also relatively well developed (70%), while various sanitation services (garbage disposal, sewage and communal toilets) are less covered, particularly in the informal settlements. The biggest difference to the Ondangwa data is that in Outapi more than 50% of the informal settlement dwellers have access to electricity (compared to only 15% in Ondangwa, see Table 4.17). However, the Ondangwa informal settlement dwellers reported better access to garbage disposal (54%), somewhat better access to communal toilets (57%) and sewage (15%).

Table 4.36 Outapi: Services available to households by settlement type
(in % of respondents by column)

Type of service	Status of settlement		Total
	Formal	Informal	
Water	98.7	100.0	99.4
Electricity	88.0	55.2	70.4
Garbage disposal	89.3	24.1	54.3
Sewage	81.3	4.6	40.1
Communal toilets	5.3	43.7	25.9
<i>N</i>	75	87	162

The share of all respondents who are satisfied with each of the listed services or who have seen improvements in these services in recent years is presented in Table 4.37. The results are ranked according to the improvement priority assigned by the respondents (i.e. the share of respondents who prioritise further improvement in each service; the respondents could only select one). The top three services to improve are water, electricity supply and health services. Interestingly, these are the same services that also have the highest satisfaction rates and most respondents have seen an improvement in these. This underscores the importance of these three services, as perceived by the respondents.

Table 4.37 Outapi: Satisfaction with service delivery (in % of respondents)

Service delivery	Satisfied	Improved	Improvement priority
<i>Water supply</i>	43.8	51.2	29.0
<i>Electricity supply</i>	41.4	40.7	14.8
<i>Health services</i>	34.0	40.1	13.6
Crime prevention	21.0	34.0	8.6
Schools	16.7	22.2	8.0
Refuse removal	23.5	22.2	6.2
Street lighting	4.9	11.1	4.3
Road/streets	1.2	6.8	2.5
Market place	4.3	5.6	1.9
Storm water drainage	1.9	0.6	1.2
Toilets/sanitation	11.1	11.1	1.2
Answer missing	-	-	8.6
<i>N</i>	162	162	162

“Satisfied” and “Improved”: Respondents report on all services

“Improvement priority”: Respondents specify only one service.

The results are ranked according to the improvement priority assigned by the respondents (i.e. the share of respondents who prioritise further improvement in each service).

4.4 Summary

The tables below summarise the socio-economic characteristics of the two case councils, differentiated for formal and informal settlements, on three aspects: prioritised top five services for further improvement, immigration, and housing. In Ondangwa (Table 4.38), schools are the service for which most respondents would value further improvements (37%). This compares to only 8% of the respondents in Outapi (Table 4.39). Health services, water and electricity supply are all areas the respondents in both councils find highly important to improve.

Table 4.38 Ondangwa: Summary statistics (in % of respondents)

Ondangwa		Status of settlement		Total
		Formal	Informal	
Service improvement priority #	School	35.9	37.1	36.9
	Health services	17.9	14.9	15.4
	Water supply	12.8	12.0	12.1
	Electricity supply	7.7	9.7	9.3
	Street lighting	7.7	8.6	8.4
Immigration**	Moved to find work	66.7	75.0	73.4
	Return to maintain fields regularly	78.8	90.0	87.9
Housing	Live in brick building	92.3	40.0	49.5
	Financed brick by own resources++	60.0	83.6	77.3
<i>N</i>		39	175	214

respondents report only one service they would like to see improvements in

** percentage refers to respondents who immigrated from a rural area (N=173)

++ percentage refers to respondents who own brick dwelling (N=75)

We also see that the respondents who have immigrated to Ondangwa are more likely to have migrated in search for work than immigrants to Outapi. Immigrants to Ondangwa are also relatively more likely to return to the rural areas regularly, to maintain fields there, respondents in the informal settlements more so than those in the formal ones.

With regard to housing, a higher share of the respondents in Outapi lives in brick buildings. Almost all the respondents in the formal settlements in both councils live in brick buildings. Financing of brick buildings in the informal settlements is almost exclusively from own resources. Own resources is also a more common financing option among the respondents in the formal settlements in Ondangwa than in formal Outapi.

Table 4.39 Outapi: Summary statistics (in % of respondents)

Outapi		Status of settlement		Total
		Formal	Informal	
Service improvement priority #	Water supply	25.3	32.2	29.0
	Electricity supply	12.0	17.2	14.8
	Health services	10.7	16.1	13.6
	Crime prevention	13.3	4.6	8.6
	School	8.0	8.0	8.0
Immigration*	Moved to find work	51.7	51.2	51.4
	Return to maintain fields regularly	46.6	46.3	46.4
Housing	Live in brick building	92.0	66.7	78.4
	Financed brick by own resources+	24.0	95.5	57.4
<i>N</i>		75	87	162

respondents report only one service they would like to see improvements in

* percentage refers to respondents who immigrated from a rural area (N=140)

+ percentage refers to respondents who own brick dwelling (N=94)

5 Service delivery: Challenges from the councils' perspectives

This chapter addresses the challenges facing Ondangwa and Outapi with respect to pro-poor service delivery as perceived by the town councils. What are the priorities and strategies of the councils to improve services, and to what extent do these strategies reflect the realities facing the councils with respect to financial and human resource constraints? How do poor residents feature in the councils' strategic plans?

The analysis is based on primary and secondary data collected during fieldwork in Ondangwa and Outapi in January and February 2004. This includes comprehensive interviews with council staff and councillors. Moreover, the councils' strategic plans and financial accounts have been analysed, as well as relevant reports acquired from the central government. During 2004, the research team also had meetings with key stakeholders at the central level, including the Deputy Minister and senior officials in the MRLGH.

5.1 Ondangwa Town Council

5.1.1 Visions

The visions, strategies and priorities of the Ondangwa Town Council are stated in its *Strategic Plan 2003-2008* (Ondangwa TC, 2003). The vision statement adopted by the council is (p. 8):

As the gateway to the North and beyond, Ondangwa provides all amenities and services of a commercial and transport hub. The maximization of benefits from its strategic location creates a modern town poised for investments, tourism and employment creation.

To achieve this vision, the council has adopted the following mission statements:

Ondangwa Town Council will strive to enhance the living conditions for all its residents and provide services in a demand oriented fashion. In doing so it will constantly improve on the creation of an enabling environment and facilitate equitable development by co-operating and collaborating with its residents and stakeholders.

The town council faces severe constraints. In the *Strategic Plan* these are identified in broad terms (p. 32), and include general planning and monitoring capacity, financial management, and technical expertise to design and maintain infrastructure projects. Hence, according to members of the council's management team and elected councillors the main problems in Ondangwa are related to (i) poor planning and monitoring capacity of the council staff (i.e. human capital); (ii) limited local government finances; and (iii) widespread unemployment in the council which constraints the enhancement of cost sharing mechanisms for service delivery.

5.1.2 Planning

Limited planning capacity, lack of relevant data, etc. represent major constraints for the implementation of the strategic plan (Ondangwa TC, 2003). Hence, according to the plan (p. 11),

‘[p]resently, Ondangwa knows too little about the household characteristics of its residents, types of businesses and trends in the lives of its population...’. For instance, no poverty profile is yet available for Ondangwa. The strategic plan refers in general terms to poor people as ‘mainly elderly and people living with disabilities who rely on national pensions, poor foster families, female and orphan headed households, orphans and vulnerable children and unemployed young people’ (ibid. p. 29).

Furthermore, ‘there is too little knowledge about the need for infrastructure investments, access to electricity, sanitation, water and social amenities’ (ibid). In general, data on availability, coverage and affordability of services is lacking. In the same vein demand for service levels and affordability are based on assumptions and guess work. Consequently, a key challenge that has been identified is the lack of local authority preparedness for planning and robust decision making. Planning is often based on the council management team’s and the councillors’ ‘impressions of the town’s development needs’, and is often guided by political parameters rather than facts. Limited internal planning capacity has opened up a market for private consultants. Hence, town planning and land surveys in Ondangwa are to a large extent outsourced to expensive external consultants. This situation is, unfortunately, not unique for Ondangwa, but reflects the reality in many of the newly established councils in Namibia (see MRLGH, 2004b).

There are several examples on how the council’s approach towards the development of the informal settlements has had long term negative impacts on the relations between the council and the poorer communities. One example is the sewage lines in parts of Uupopo and Ondangwa, which were installed some years ago with funding from the GTZ programme, SWAMP (Sustainable Sanitation and Water Management Project). People in the informal settlements in Uupopo and Okangwena have different recollections how the decision to build the sewage lines were arrived at. Some admit that the council and GTZ had informative meetings with the population where the idea of private flush toilets in Uupopo and public flush toilets in Okangwena was put to the community. They accepted, even welcomed ‘being given flush toilets’ since many had no toilets at all. Apparently, however, people were not informed about the charges imposed on private connections in the one and the charges for the use of public toilets in the other case. Some people explained that residents just did not consider the costs and were shocked when they could not afford the service at all. Others maintained that proper consultation never took place with the local population. They alleged that the sewage was the beginning of an up-grading project, where the sewage line was to make people upgrade their shacks to brick houses with flush toilets with the aim of formalising the informal settlements.

Incidentally, only three households were able or willing to connect to the sewage line in Uupopo, because as the council now admits: ‘Sewage is just not a feasible service for the informal settlements’. Even the public toilets in Okangwena fell all but one into disrepair, because the caretakers cut corners and costs, and customers unable to raise the N\$1 for each use stayed away. Moreover, the public toilets also contain a shower section, which turned out to be popular in the hot, dry season, when residents not only took long showers but also did their laundry there. But the fee did not even cover the cost of the water used, since no restrictions were in place on consumption. The service has thus not benefited many residents. In fact, many are charged for sewage even though they are not connected, but just happen to have a plot next to the sewage line.

The SWAMP-project has caused other problems, too. Further extension of the sewage system has been cancelled.⁴⁴ Thus, the sewage project was a very discouraging experience, which to some extent has blocked further development of services in the informal settlements. The experience also affected the way the council and the central government view the financing of capital projects in informal settlements in Ondangwa.⁴⁵ However, according to the Community Development Officer,⁴⁶ the Town Council will consider the possibility of installing VIP-toilets in

⁴⁴ Interview with the Council Engineer, 20 January 2004.

⁴⁵ Interview, Ondangwa TC, 20 January 2004

⁴⁶ Interview, Ondangwa TC, 21 January 2004.

the informal settlements, but has thus far not carried out a survey of residents' income levels and their ability to pay for the toilets. The Shack Dweller's Federation of Namibia (Northern Region) also argue that people in the informal settlements do not need a sewage system, since sewage implies extra costs to build and maintain toilets, plus added water costs to flush.⁴⁷ Informal settlement dwellers need toilets which require minimum maintenance and which minimise the use of water.

5.1.3 Human resources management and governance

Turnover of staff is apparently not a problem for the council.⁴⁸ The main human resource problem, however, is shortage of qualified staff. This situation is likely to continue for a while. For instance, the organisational structure of the council, which was implemented from January 2003 was developed to fit the staffing that was in place then, rather than fit the needs of the town council.⁴⁹ There is, in particular, a need for improving the management skills of the CMT. The communication flow and dialogue within the council among members of the CMT and between the CMT and elected councillors are not optimal. First, internal communications within the CMT need to be improved. This applies particularly to the co-ordination between the planning officer and the community development officer to avoid duplication and misunderstandings in their separate dealings with the communities. Second, the demarcation of powers, roles, functions and duties between councillors and the administrative staff is largely blurred. Hence, elected councillors in some instances act as executives and thus unduly intervene in the day-to-day operations of the CMT. There is thus an urgent need for clarification of the roles and functions of each staff member and the councillors. This is also reported as a main problem in the Ministry's own assessment of capacity constraints in Ondangwa TC (MRLGH, 2004b).

The finance and technical departments seriously lack skilled staff. For instance, the Finance Department has only one staff member with a diploma. This lack of skills is reflected in the finance reports, which councillors often find hard to understand and make sense of. Even the Town Clerk and the CMT say they have problems with these reports. The financial reporting needs to be improved in order to make reports accessible to all TC staff and the public, who at present have limited access to budgets and accounts. There is also shortage of technical staff, such as planners, engineers, plumbers, mechanics, etc. As a consequence, town planning and land surveying are to a large extent outsourced to private consultancy firms. This practice makes town planning and consequently the development of formalised residential and business areas very expensive and often long drawn out, since the expertise available in Namibia in the private sector is also limited.

In principle, the decentralisation policy encourages grassroots participation in the planning processes. In practice, however, stakeholders are rarely invited to participate in Ondangwa TC. According to senior council staff the limited participation of informal settlement dwellers, for example, is due to 'poor education and poverty'.⁵⁰ In fact the council's strategic plan (p. 20) refers to complaints by the community about poor communications between residents and the council, and notes a situation of mistrust on the part of residents. The plan adds, however, that complaints by residents are often based on 'unfounded accusations' (ibid). This contrasts with the perceptions of the residents living in the informal settlements, who feel that on the rare occasions when the council holds meetings in the informal settlements, their members already have a decided agenda and that they use the occasion merely to inform the affected population about those decisions, rather than seek dialogue (see chapter 6.1.5). Discussions between the council and citizens in the informal settlements are thus rather one-sided affairs, which do not give informal settlement dwellers a voice

⁴⁷ Interview, Oshakati, 21 January 2004.

⁴⁸ Interview with the Acting Town Clerk, Ondangwa TC, 20 January 2004.

⁴⁹ Interview, senior council officer, Ondangwa TC, 20 January 2004.

⁵⁰ Interview, Ondangwa Town Council, 20 January 2005.

to question or even change decisions or plans. This lack of voice contributes to the noted distrust between council staff and people living in the informal areas.

Many residents in the informal settlements expressed a deep distrust in the local councillors, who were dismissed as being just interested in their political position (see section 6.1.5). Local councillors in Namibia are elected on the basis of a party list system. While this facilitates the application of gender quota, which by law is applied in local government elections, people effectively have no choice with regard to the persons actually elected to office beyond their party affiliation. Often people do not personally know the councillors. Moreover, the list system means that councillors are not tied to any constituencies, and are thus even more elusive. Regional councillors, by contrast, were considered more trustworthy, since they were perceived not to be directly connected to the council, but rather above the council and overseeing it. Regional councillors are also voted for directly from a candidate's list and are therefore more likely to represent known entities. People interviewed claimed that they therefore had more confidence in the regional councillors to listen and act upon complaints about the council in their favour, than they would in local government councillors. The relationship between regional and local councillors is, however, also characterised by limited communication and dialogue. Both local and regional councillors interviewed admitted that there existed distrust between them.

By contrast, the council is exposed to substantial pressure by and influence from the formal settlements when plans are developed and priorities made, because residents here are more educated, are more secure in their residential rights and therefore have (and are allowed) a stronger and more critical voice.⁵¹ Thus, even though the needs for service improvements are much more urgent in informal settlements, the council's attention is focused largely on formal settlements.⁵² The pressure from the business community to develop and expand the formal settlements is not surprising, given that 3 out of 7 local government councillors are businesspeople. Thus, the Council Management Team (CMT) has monthly meetings with the business community, but only rarely meets informal settlement dwellers. In fact, business interests overshadow the future of informal settlements in Ondangwa as they are located in prime business areas along the main road and close to the centre, which the business community and the council both wish to formalise to open it up for development.

In spite of these constraints, the survey indicates that citizens in both formal and informal settlements have a relatively high level of trust in the town council's ability to spend their tax money in the interest of the community compared to other public institutions (see Table 5.1). More than 46% of the respondents in the formal settlements believed the town council to be the institution best capable to spend tax money and revenues in the interest of the community. The corresponding figure for informal settlements is 39%. In comparison, less than 25% of the respondents felt that the central government would operate in the interest of the community. The trust in the settlement committees, while generally strong in Ondangwa's informal settlements, is relatively low in this regard, but higher in the informal compared to the formal settlements.

⁵¹ Interview with the Acting Town Clerk, Ondangwa, 20 January 2004.

⁵² Interview, Ondangwa TC, 20 January 2004.

Table 5.1 Ondangwa: Citizens' trust in public institutions in
(in % of the respondents by column)

Which institution will use money paid in tax or service charges in the interest of the community?	Status of settlement		Total
	Formal	Informal	
The town council	46.2	38.9	40.2
The central government	20.5	25.1	24.3
The settlement committee	12.8	18.9	17.8
The regional government	7.7	6.3	6.5
The traditional authorities	2.6	2.9	2.8
The service provider	2.6	1.1	1.4
Other	2.6	1.1	1.4
Do not know	2.6	2.9	2.8
Answer missing	2.6	2.9	2.8
N	39	175	214

Still, corruption is perceived to be a problem in the council. According to the CMT and the Mayor, this problem occurs particularly in connection with the sale of land plots (erven).⁵³ But thus far no one in the council has been fired due to misconduct. Ordinary citizens also refer to corruption as a problem in Ondangwa. As many as 54% of the respondents thought corruption to be a serious problem, compared to only 26% in Outapi (Table 5.2).

Table 5.2 Seriousness of corruption in Ondangwa and Outapi
(in % of the respondents in each council)

Do you think corruption in this town council is a serious problem?	Urban council	
	Outapi	Ondangwa
Yes, it is a serious problem	25,9	53,7
It is a problem, but not very serious	17,9	10,7
No, it is not a problem in this council	24,7	7,9
Do not know	30,2	27,1
Answer missing	1,2	0,5
N	162	214

In fact, more than 16% of the respondents in Ondangwa believe that corruption has increased over the last two years (Table 5.3). The corresponding figure for Outapi is 12%. Moreover, almost 30% of the respondents in Ondangwa feel that the level of corruption has remained unchanged over the past two years, compared to 42% of the respondents in Outapi.

⁵³ Interviews, Ondangwa, 19 January 2004.

Table 5.3 Changes in the level of corruption over time in Ondangwa and Outapi
(in % of the respondents in each council)

How is corruption now, compared to two years ago?	Urban council	
	Outapi	Ondangwa
Worse than before	11,7	16,4
The same as before - no changes	42,0	29,9
Less than before	9,3	9,3
Do not know	36,4	40,2
Answer missing	0,6	4,2
<i>N</i>	162	214

5.1.4 Traditional authorities and the town council

The Ndonga Kingdom contains a district called Ondangwa, and within it one of the more important villages also has the same name. Ondangwa traditional village, which today roughly coincides with Uupopo consists of 3 sub-villages led by 3 sub-headmen. The sub-headmen were originally responsible for the day to day running of the settlements. Sub-headmen, as is the case with the whole authority structure up to the senior councillor of the King, are appointed by the management team of the Ndonga King, usually for life. A new headman is appointed only when the old one has passed away. Women can become sub-headmen, but they are not able to hold positions further up in the traditional hierarchy.

The incorporation of areas into the town council which were previously held under traditional authority happened in the view of the traditional authorities without much consultation. Instead the council simply informed the Ndonga Kingdom of the areas where its headmen and sub-headmen had to cede certain powers to the council. Sub-headmen still exist within the town borders. Their roles and responsibilities have, however, changed. They no longer allocate land or give permission for businesses, for slaughtering, and they thus no longer have an income from the allocation of land or from other fees within the town borders. Thus, the affected sub-headmen have a very reduced income base, particularly since they do not receive salaries. Yet, their position and functions still exist and the town council even relies on them for certain tasks. Traditional authorities still hear and administer some conflicts and they represent the people of their area in the structures of Ndonga Kingdom. In general, traditional authorities have lost out through the town development, since they have not been compensated for the loss of control and income. The town council and the traditional authorities, therefore, have a strained and one-sided relationship not least because there are no institutionalised meeting points between the two parties. Hence, the traditional authorities feel they are being made use of by the council without receiving anything in return.

The traditional authorities have in the process lost much of their importance and appeal in the informal settlements. People seem to have lost confidence in the traditional authorities' ability to act in their favour after experiencing over and over that they are powerless and need to refer most matters to the council. Therefore, relatively few respondents in the citizen survey (20%) say they attend the meetings of the traditional authorities (see section 6.1.5, Table 6.13). This is a dramatic change given that only a few years back, before Ondangwa was declared a town, traditional authorities administered the informal settlements and their residents. By contrast, as many as 63% of the respondents in the informal settlements say they attend the settlement committee meetings (Table 6.13). In fact settlement committees have taken over many of the functions of the traditional authorities in the informal settlements.

Settlement committees were originally put in place by the town council as a medium of communication between the settlement and the town council itself. Unlike the traditional authorities, the committee members are elected by the residents of the respective settlements and they are able to resign or to be replaced if they prove to be unsatisfactory. In Uupopo, one of the

sub-headmen is an elected member of the settlement committee. The original terms of reference of the committee were to 'look after things', keeping the settlement tidy and liaising with the council. In the course of time, the settlement committees in Ondangwa not only act as the conduit of information between the town council and the settlement, but they also involve themselves in negotiations and conflict resolutions. For instance, they may exert pressure on residents to honour debts, and thus refer cases brought to their attention to the police, the traditional authorities, or to the council. Moreover, they keep the settlement clean, encourage better health and hygiene and co-ordinate other committees, such as for waste removal, neighbourhood watch, etc.

The scope of the settlement committee has, thus, grown much larger than originally anticipated, and the tasks take up most of the time of the members. The settlement committee members believe that they should be remunerated for their efforts or receive some kind of allowance. More than 70% of the respondents in our survey in Ondangwa agreed with this. However, at present the settlement committees do not even receive reimbursements for transport costs, when the council calls the committee members for meetings. They are also upset because they perceive the meetings with the council to be biased, with the council calling for meetings if and when the council needs the settlement committee. By contrast, there is no mechanism for the settlement committee to call for meetings with the council.

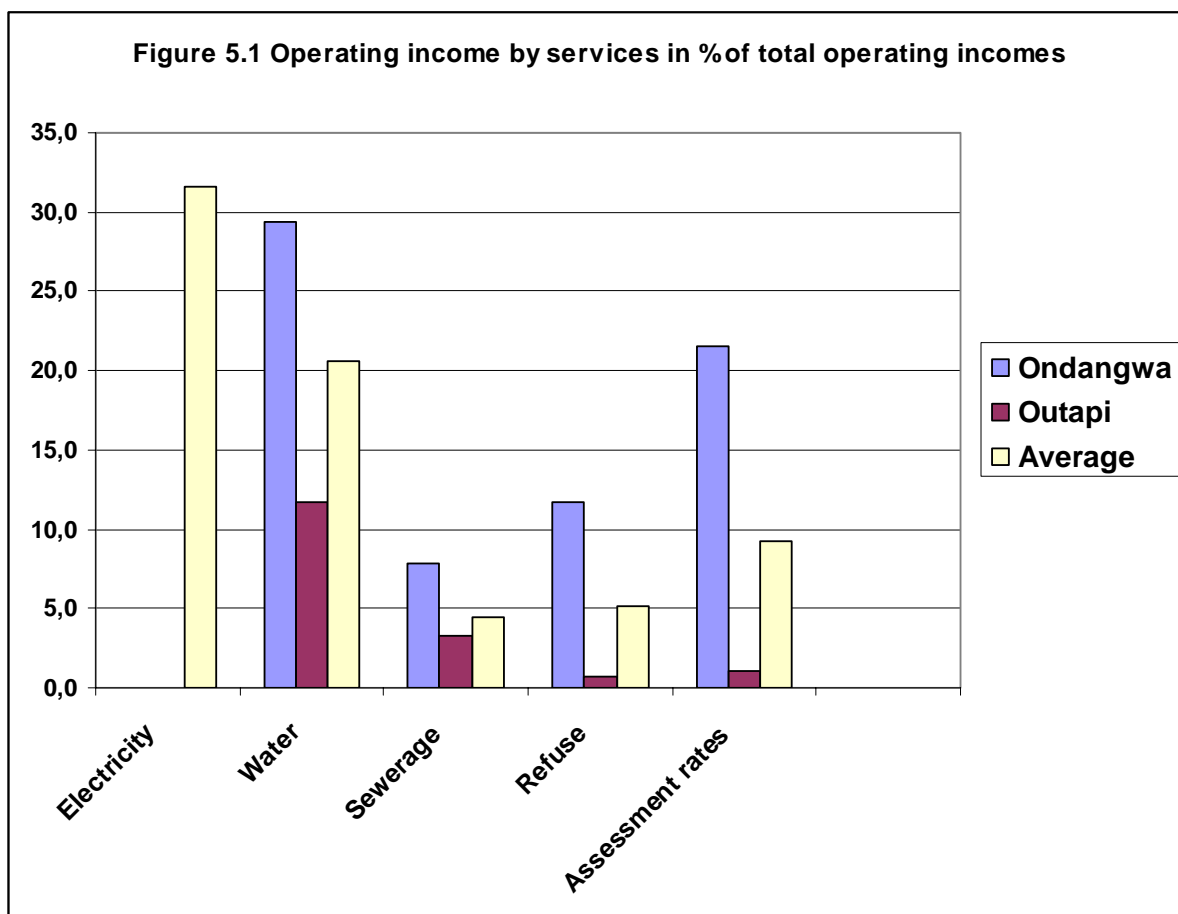
5.1.5 Finances and expenditures

In principle, Namibian local authorities are supposed to be autonomous and self-sufficient (see chapter 2). In practice, however, many of the newly created towns, including Ondangwa, are not financially viable and run with substantial deficits (see MRLGH, 2004). Councillors and senior council staff consider lack of money as the major bottleneck for local government autonomy. Political autonomy is in place, but there is no financial autonomy. According to one councillor interviewed, 'autonomy without money is just a political slogan'.⁵⁴

Revenues

Figure 5.1 presents the average income per service in percent of total operating income of the council, compared to the corresponding average figures for a sample of 13 town councils in Namibia (MRLGH, 2004). The main own revenue sources in Ondangwa in FY 2002/03 came from the sales of water (29% of total own incomes) and assessment rates (22%). These shares are substantially higher than the average for town councils in the country. Moreover, incomes from sewerage and refuse removal (i.e. fees) are also relatively high by comparison. However, since Ondangwa has yet to receive dividends from the electricity distributing company NORED, income from the sale of electricity was zero in FY 2002/03. By comparison, the national average income from electricity sales amounts to 32% of the town councils' total operational incomes.

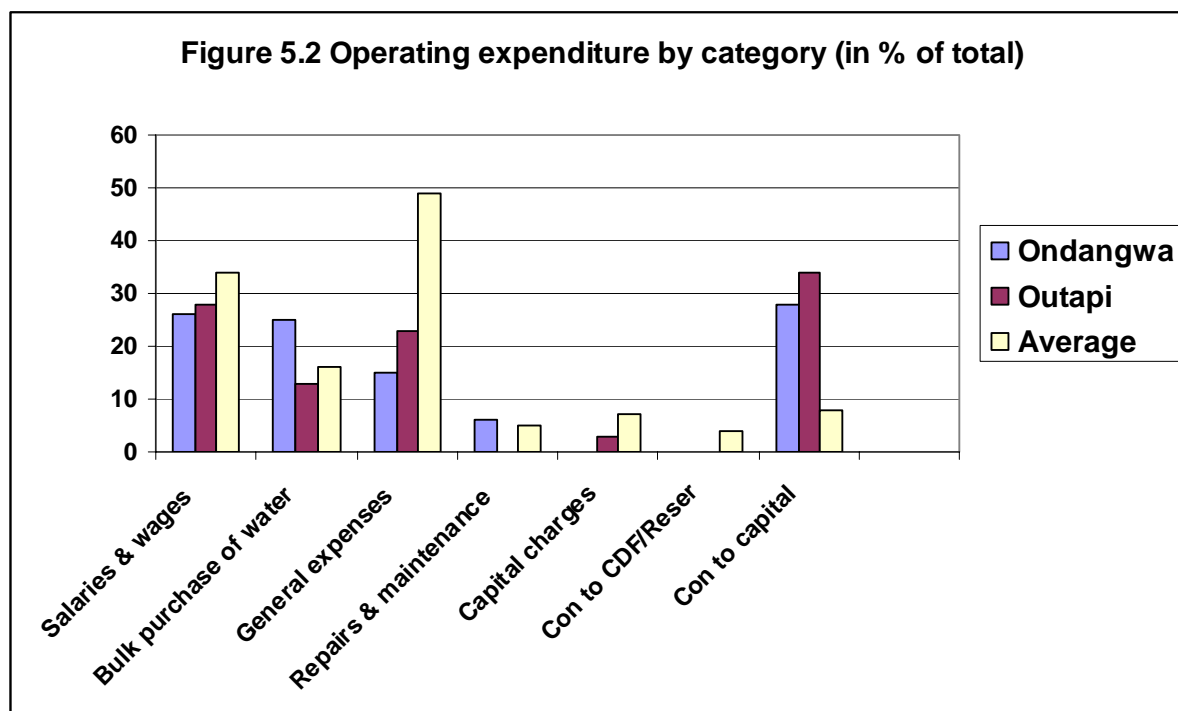
⁵⁴ Interview, Ondangwa, 19 January 2004.



Source: MRLGH (2004)

Expenditures

When comparing the composition of operating expenditures with the national average (composed of 13 town councils), we also observe some striking differences (Figure 5.2). Hence, while the amount spent on salaries and wages for the council staff in Ondangwa represents 26% of total operating expenditures, the national average is 34%. However, when it comes to the purchase of bulk water, Ondangwa spends a substantially higher share of its operating expenditures on this item (25%) compared to the national average (16%). The table also shows that the council’s capital charges are 0% of total expenditure, which reflects that Ondangwa TC has neither external nor internal loans as a financing source for the acquisition of property, equipment etc. (ibid. 86).



Source: MRLGH (2004)

Another striking feature of Ondangwa's financial priorities is that capital expenditures represent 28% of total expenditures, compared to the national average of 8% (Figure 5.2). Capital expenditures are largely funded from accumulated surpluses. Thus, the funds from reserves and special funds created over time, amount to N\$ 5.9 million (MRLGH, 2004:87). But, although the council in FY 2002/03 has commenced to utilise accumulated surpluses to upgrade infrastructure, the continuation of this strategy will have to be terminated when these surpluses are fully utilised, and no new revenues sources are identified.

Operating deficits and debts

In FY 2002/03 Ondangwa town council generated an operating deficit of N\$ 4.2 million (ibid. 83). Water alone as a trading service generated a loss of N\$ 2 million, and electricity a net loss of N\$ 1.6 million. The net loss from electricity was caused by the fact that the council did not receive a dividend from NORED that year, while a lion's share of the losses from the sale of water, was due to non-payment of charges by consumers and substantial and unaccounted leakages. According to the ministry responsible for local authorities, water losses are currently running at about N\$ 100,000 per month (MRLGH, 2004:83). Moreover, a large share of the outstanding debt owed to the council by various debtors, in particular consumers of trading services, are considered as 'bad debt', which will have to be written off. By end-May 2004, the outstanding debts amounted to more than N\$ 8 million. It is estimated that current outstanding consumer debtors have increased at a rate of N\$ 300,000 per month (ibid. 84).

How is the debt problem dealt with? One councillor answered as follows: 'Well, the deficit just grows and grows, until the Central Government comes in and covers it.'⁵⁵ This view was supported by the council Treasurer, who said that the deficit is just kept running: 'There are always

⁵⁵ Interview, Ondangwa, 19 January 2004.

deficits in the council accounts.’ On the expenditure side, according to the Treasurer, the debt is partly due to overspending by (some) departments who do not understand budgeting, and partly due to non-payment of service charges by citizens. Hence, when the council introduced pre-paid telephone cards to be used by council staff, the telephone bill dropped significantly. Overspending on fuel and travel and subsistence allowances are also contributing to the deficits.

On the revenue side of the budget, the main problems contributing to the deficits according to the Treasurer, are related to (i) the assessment rates of property, since the rates are not updated in accordance with property values; (ii) arrears in property taxes; (iii) arrears in the collection of water charges, which is partly due to citizens’ inability and/or unwillingness to pay, and partly due to water leakages; and (iv) lack of transparency in NORED’s information to the council on how many electricity units are sold, which complicates realistic budgeting.

The establishment of NORED in 2002 appears to have benefited neither Ondangwa nor Outapi as yet. NORED has taken over the electricity supply of all local authorities in the Northern Region with the exception of Oshakati TC. All the participating councils, including Ondangwa and Outapi, are shareholders in NORED (MRLGH, 2004:25). Both councils complain, however, about the lack of transparency of NORED’s information to the councils. In addition, the councils are still responsible for the development of new electricity infrastructure. Hence, when new areas are developed and settlements are formalised, the councils will have to take the capital costs. NORED will thereafter take over the supply and receive the resulting incomes without having made any capital investments. Furthermore, no maintenance agreement between the local authority and NORED is in place. Hence, the council has to pay for expenditure such as replacement of street and traffic lights, while other maintenance is sometimes also carried out by the council due to a lack of response by NORED to complaints by consumers (ibid).

According to information obtained from the council, NORED is required to pay a royalty of 2 cents per kWh of electricity sold in each local authority. The basis for this royalty and when and how often it should be paid to the council is not clear. Moreover, according to MRLGH (2004:25), the present royalty rate, once it has been paid, will barely cover current maintenance costs borne by the council leaving neither income for investment in new electric infrastructure nor savings. Hence, the current agreement with NORED does not seem to benefit the council.

Non-payment of service charges

Illegal connections to water, electricity and other services reduce the revenue base of the service providers and the council alike. The council considers this to be a major problem, particularly in the informal settlements. According to council staff, illegal connections are partly related to the residents’ poor ability to pay, and partly to inadequate understanding why it is important to pay for services. Ability to pay is also perceived by citizens’ to be a major constraint, as reflected in the citizen survey (see chapter 4). The respondents’ major concern with respect to revenue collection in Ondangwa is that they cannot afford to pay taxes (Table 5.4). The second most important problem in the mind of both formal and informal settlement dwellers is that council rates are too high, reflecting that affordability is indeed a major constraint. The perception that taxes are not spent on improving services was ranked as the third main problem or constraint.

Table 5.4 Ondangwa: Citizens' perceptions of major problems in tax collection
(in % of the respondents by column)

What are the major problems in collecting taxes		Status of settlement		Total
		Formal	Informal	
Cannot afford to pay	Agree	53.8	54.9	54.7
Too high rates	Agree	48.7	55.4	54.2
Tax money not spent on improving public services	Agree	41.0	54.3	51.9
Unwilling to pay until they receive better services	Agree	43.6	49.1	48.1
Too many taxes and charges	Agree	41.0	45.7	44.9
Town council is staff dishonest	Agree	25.6	32.0	30.8
Unwilling to pay	Agree	20.5	31.4	29.4
Collectors are dishonest	Agree	17.9	29.7	27.6
Local government politicians are dishonest	Agree	17.9	29.7	27.6
Regional councillors are dishonest	Agree	12.8	29.7	26.6
Collectors harass people	Agree	7.7	24.6	21.5
<i>N</i>		<i>39</i>	<i>175</i>	<i>214</i>

However, the citizen survey also suggests that most respondents understand the linkages between payment and service delivery fairly well (see Tables 5.5 and 5.6). The problem of non-compliance seems thus to be related to poor service delivery and distrust in the invoices sent by the council to consumers. For instance, many households in the informal settlements have switched to pre-paid water meters, since they then feel they are more in control of how much they pay for water actually consumed.

The vast majority of the respondents (86%), disagreed with the notion that it is not necessary to pay council bills (Table 5.5). As many as 93% of the respondents disagreed with the statement that 'non-payment was acceptable if one could get away with it'. Interestingly, a larger share of the respondents in the informal settlements (94%) disagreed compared to the formal settlements (85%).

Table 5.5 Ondangwa: Citizens' views on the necessity to pay council bills
(in % of the respondents by column)

Do you agree that it is not necessary to pay council bills?	Status of settlement		Total
	Formal	Informal	
Agree	10.3	11.4	11.2
Neutral	2.6	1.1	1.4
Disagree	84.6	86.3	86.0
<i>N</i>	<i>39</i>	<i>175</i>	<i>214</i>

Note: The category "Strongly agree" merged with "Agree"; similarly for "Strongly disagree" and "Disagree". The tables do not report the categories "Do not know" and "Answer missing".

Table 5.6 Ondangwa: Citizens' views on paying the bills or not
(in % of the respondents by column)

Do you agree that you will not pay council bills if you can get away with it?	Status of settlement		Total
	Formal	Informal	
Agree	7.7	2.9	3.7
Neutral	2.6	1.7	1.9
Disagree	87.2	94.3	93.0
<i>N</i>	39	175	214

Note: The category "Strongly agree" merged with "Agree"; similarly for "Strongly disagree" and "Disagree". The tables do not report the categories "Do not know" and "Answer missing".

Non-compliance by citizens does not explain, however, the revenue shortfalls experienced by the council entirely. Water leakages and the subsequent loss of revenues, according to council staff interviewed, are also related to the fact that the council does not always know where water pipes are located and thus find it difficult to monitor leakages and illegal connections. This information gap is allegedly exploited by previous employees dating back to the apartheid era, who have better information about the location of water pipes and are thus able to access water illegally without fear of being discovered. Data on how much such illegal connections represent in revenue losses for the council is not available. However, while the council considers this to be a major problem, one wonders why the problem has not been properly addressed almost 15 years after independence, in locations that, in principle, should be relatively easy to monitor?

When it comes to illegal connections and bypassing of electricity meters, NORED considers this to be a widespread phenomenon in Ondangwa, particularly in Uupopo and Okangwena where informal 'businesses' sell by-passed electricity.⁵⁶ In Omakugumi settlement (close to Uupopo), for example, a policeman supplied four people plus himself with illegally connected electricity. He charged his 'customers' N\$ 200 per month.⁵⁷ Hence, he made a profit of N\$ 800 per month, plus the electricity he used and did not pay for himself. NORED also suspects that some of their own employees are involved in making illegal connections and supplying electricity to others. To address this problem, NORED has introduced an award system where those who report illegal connections and bypassing are awarded N\$ 300 for each illegal connection revealed. Hence, 95% of the illegal connections during 2003 (273 people) were reported by ordinary citizens through this award system. When detected, the culprits have to pay a fine of N\$ 2400 to NORED plus the costs of the electricity illegally consumed. Then he/she is disconnected. The reconnection fee in 2004 was set to N\$ 130.

5.2 Outapi Town Council

5.2.1 Visions

Outapi is a new town and therefore does not suffer the same constraints with respect to town planning and development as Ondangwa and other older towns in the North, which developed during the apartheid period, do. The town started from scratch in 1997. The visions, strategies and priorities of Outapi Town Council are reflected in its *Strategic Plan 2003-2008* (Outapi TC, 2003). The vision statement adopted by the council is (p.10):

⁵⁶ Interview, NORED-Oshakati, 22 January 2004.

⁵⁷ According to NORED, the illegal rates charged by citizens vary between N\$ 60-200 per months.

Outapi is the jewel of towns in Northern Namibia. Situated in a unique, unspoiled, attractive and safe environment it is the preferred gateway to other destinations. With its many untapped opportunities for trade, commerce and industry it is poised for investments attraction, wealth and employment creation.

In order to achieve these fairly ambitious visions, the council has adopted the following mission statement:

As the capital of the Omusati region Outapi Town Council provides efficient and effective services to its residents and together with its stakeholders provides leadership in developing the town for the benefit of the entire region by building on its comparative advantages.

The council has identified three strategic core areas for its strategic plan (p. 10):

1. To build on the comparative advantages of Outapi and to address the untapped potential for economic growth and employment creations.
2. To build a shared vision for the future of Outapi with residents and stakeholders and to achieve a high level of 'buy-in' and 'can-do' spirit for the town's development.
3. To enhance organisational, managerial (administrative), technical and financial capacities to manage Outapi and its challenges and opportunities and provide services in a client oriented fashion.

The Strategic Plan identifies poverty as a growing problem in Outapi, reflected in the two expanding informal settlements (Outapi TC, 2003:26) and non-payment of service charges (ibid. p. 21). Moreover, poor communication between the town council and citizens has been addressed as a major challenge (ibid. p. 20). Furthermore, the plan frankly states (p. 25) that 'it is clear that the functions of the Local Authority cannot be fully realised in practice' due to lack of funds, available skills and relevant data for planning purposes.

5.2.2 Planning

Limited administrative and managerial capacities combined with lack of relevant data represent major constraints for implementing the strategic plan in Outapi. For instance, resident surveys have yet to be carried out by the council and statistical data are missing (ibid. p. 25).⁵⁸ There are therefore limited data on coverage and affordability of key services available. Consequently, as also seen in Ondangwa TC, planning is often based on guesswork and what is assumed to be the need of various groups of citizens, with only limited establishment of facts about actual needs and priorities.

In contrast to what we observe in Ondangwa (see section 5.1.2), direct consultations with residents about plans and priorities do take place in Outapi. Three factors contribute to this:

- (1) Outapi is a much smaller and more transparent town than Ondangwa, where the council headquarter is more accessible to citizens, and vice versa. This might also explain why settlement committees have not gained importance in Outapi.⁵⁹
- (2) (ii) The council management team seems to be aware of the importance of having good relations with the communities, as reflected in the Strategic Plan. Resources seem to have been provided to facilitate this communication.

⁵⁸ To our knowledge, the survey conducted as part of this study is the first citizen survey providing detailed socio-economic data for Outapi TC.

⁵⁹ There are, however, committees for the informal markets in Outapi.

- (3) (iii) Each councillor has been allocated a ward where he/she meets, informs and discusses plans with the residents. Meetings between the councillors and residents are held every quarter, and often take place within the communities. Initially, the meetings with communities did not involve the CMT, but this has now changed. According to the Town Clerk and the Mayor, the meetings are also well attended.⁶⁰ Thus, in contrast to Ondangwa, the elected councillors are more visible and known by the citizens.

These factors may partly explain why the residents of Outapi (Table 5.7) seem to have a higher level of trust in the town council compared to the residents of Ondangwa (Table 5.1). Hence, while almost 60% of the respondents in Outapi believe that the town council is the institution best capable to spending money paid in taxes and service charges in the interest of the community, the corresponding figure for Ondangwa is only 40%. There are only minor differences between the formal and informal settlements in Outapi on this issue. Also with respect to other factors, the differences between the formal and informal settlements are less visible in Outapi compared to Ondangwa. The informal settlements in Outapi are to a large extent serviced with water and electricity, and houses are more likely to be permanent, i.e. brick houses. But since some areas are not yet surveyed, they are referred to as 'informal'. Poor roads and sanitation are considered by the council to be the main infrastructural problems in these settlements. According to the Mayor of Outapi⁶¹, formalisation of an area also implies removal of shacks, and the establishment of houses that 'meet the town's standard', i.e. one house per plot of 300 m² according to National Guidelines.

Table 5.7 Outapi: Citizens' trust in public institutions (in % of the respondents by column)

Which institution will use money paid in tax or service charges in the interest of the community?	Status of settlement		Total
	Formal	Informal	
The town council	61.3	58.6	59.9
The central government	13.3	8.0	10.5
The service provider	5.3	14.9	10.5
The settlement committee	2.7	6.9	4.9
The regional government	6.7	3.4	4.9
Other	4.0	1.1	2.5
Do not know	5.3	5.7	5.6
Answer missing	1.3	1.1	1.2
N	75	87	162

One problem facing the implementation of the strategic plan is due to the fact that a number of traditional houses are located in some areas earmarked for specific purposes, e.g. commercial use. Before the residents of the traditional houses are moved, they must be compensated.⁶² However, this is expensive, and the council lacks the means to comply with the ruling. The town clerk questions the central government's position that it will not contribute to the compensation cost of resettlement of informal areas, but instead expects the new town councils to raise the substantial funds.⁶³ Indeed, only people who live in permanent structures built *before* the town was proclaimed have a claim for compensation. Thus, it was argued by Outapi TC staff that the central government apparently made a mistake when the town was proclaimed since not all the council's area was formalised and, thus, serviced. Ongwadiwa TC, for example, which is often pointed out as a model TC, was fully serviced when it was proclaimed.

⁶⁰ Interview, Outapi town council, 27 January 2004.

⁶¹ Interview, Outapi, 27 January 2004.

⁶² Interview with the Planning Officer, Outapi town council, 26 January 2004.

⁶³ Interview with the Town Clerk, Outapi town council, 23 January 2004.

5.2.3 Human resources management and governance

The council employs 36 people, of whom 16 were seconded from the MRLGH in 2002 when the town was proclaimed.⁶⁴ Still, there is a shortage of qualified staff in some departments. In January 2004, the Urban Development and Planning Department had only one qualified building inspector. Moreover, the Operation and Maintenance Department lack some qualified staff. The CMT also argues that there is a need to employ a local economic development officer and a registry clerk in the Human Resources Department. However, according to the CMT, the Finance Department is relatively well staffed compared to many other town councils, with two trained accountants out of six staff members. In the short run, there is a need to strengthen the budgeting process (see also MRLGH, 2004b). At present the council has no internal auditor. Instead it relies on technical support from the MRLGH to pre-audit the annual financial statement before it is submitted to the Auditor General.

As observed in Ondangwa (see section 5.1.3), the demarcation of roles and functions between elected councillors and the CMT is not clear. According to council staff several councillors do not sufficiently understand their roles and responsibilities, apparently because they lack formal education. This is reflected in ineffective and poorly attended council meetings. Moreover, councillors intervene in the day-to-day operations of the council, as reported from Ondangwa and other town councils in Namibia (MRLGH, 2004b). Accordingly, it is argued, there is a need for councillors to be trained when they are newly elected. Moreover, the Councillors' Manual ought to be translated into the local language to make it accessible to all councillors.

While cases of corruption have been reported, for instance in the Treasury, council staff claimed that this was not a major problem in Outapi. This is also reflected by the results of the citizen survey, with less than 26% of the respondents stating corruption as a problem in Outapi (Table 5.2). The corresponding figure for Ondangwa is 54 %.

5.2.4 Traditional authorities and the town council

As noted above, councillors in Outapi have shared out the town wards amongst themselves creating a quasi constituency set-up. This implies that residents of the informal (and also formal) settlements have been able to identify with certain councillors, even if they did not specifically vote for them. Perhaps for this reason, regional councillors carry relatively less weight in Outapi. Moreover, settlement committees are also of relatively lesser importance in Outapi than is the case in Ondangwa, where they are the favoured communication channels for informal settlement dwellers and have taken over functions from the traditional authorities. In Outapi by contrast, it has been the Town Council that has taken over tasks from the traditional authorities, leaving out the intermediary settlement committees. In fact, both the Town Council and the traditional authority meetings are more popular in Outapi than they are in Ondangwa. The more limited role of settlement committees might be due to the fact that Outapi is a younger town, where the council's functions might not have been fully established and realised. Outapi Town Council appears, so far, more accessible to its citizens and does perhaps not require mediation in their relations to them.

The problems between traditional authority structures and the town council, however, are as uneasy as they are in Ondangwa, even though the talk is of co-operation. Outapi used to be a village where the traditional authority was 'the boss', a situation that has been challenged by the Town Council. Hence, a council officer stated: "*There is no headman in Outapi – the headman is the council!*" There are, however, implicit conflicts between the council and traditional authorities. These are exemplified by the council's accusation that traditional leaders 'wilfully want to thwart the progress of the council', allegedly proven by the fact that not all residents come to community meetings called by the council. Moreover, here as in Ondangwa, scheduled meetings between town

⁶⁴ Interview, Head of Human Resources Department, Outapi TCV, 27 January 2004.

council and traditional authorities do not exist, and it is again mostly the town council that approaches the traditional authorities, rather than the other way round.

The traditional authorities feel that they still have a major role to play in conflict resolution, however, also within the borders of the town. People know the traditional authorities and they still come and consult them about all matter of problems. Traditional authorities, however, are only able to assist people with problems that concern traditional matters.⁶⁵ Beyond that members of the traditional authority cannot make decisions about the development of the town, because there is no law that can guide them in taking decisions over the town council's land. They have to follow the laws of the town and are hemmed by the fact that they have to refer many cases concerning service delivery, for example, to the town council. The traditional authority members, however, act to some degree as middleman or brokers between the Town Council and citizens, such as when people must be persuaded to move in order to make way for town developments. This applies, of course, particularly to persons who reside in traditional structures on land that now is under the control of the town council.

People see the traditional authority as an ally against the council in cases regarding payment for services or the quality of service delivery. For people who see the traditional authority as the authority of the people, the experience of being referred back to the council can shake their confidence. Hence, to improve and strengthen the trust relations between the council, traditional authorities and the residents, the council should consider engaging a member of the traditional authority within the council itself in order to interpret customary law and the attitudes of the people, and to provide a linkage between traditional authority and council. Regular, institutionalised meetings between the two bodies are essential for the creation of trust and partnership.

5.2.5 Finances and expenditures

Revenues

As a newly established town council, Outapi receives a substantial operational subsidy from the central government (MRLGH, 2004:101).⁶⁶ Water fees are the second largest income source, and accounted for almost 12% of total income in FY 2002/03 (see Figure 5.1). However, the importance of water as a revenue source is substantially lower than the national average (21% of total incomes) and much lower than in Ondagwa (29%). Incomes from refuse removal and sewage are also marginal compared to both Ondangwa and the national average.

According to the council Treasurer⁶⁷, the major challenges facing Outapi with respect to enhanced revenue generation are (i) the council's narrow revenue base; (ii) citizens' inability to pay for services due to poverty; and (iii) citizens' unwillingness to pay or their non-compliance with rules and regulations. Generally, compliance is a problem when citizens experience that few services are returned for their tax and rate payments. It would thus seem to informal settlement dwellers that they pay for nothing, or they pay for the formal settlements, where they see services being provided.

To enhance revenue collection, the council tried in the past to engage community leaders to collect site rates and hawker fees in informal settlements, where the delivery of bills is difficult because residents lack post boxes or firm addresses. The attempt failed because the community collectors received no payment and thus lacked incentives to collect. In 2003, the collection of site rates and business and hawkers fees in Unhimbu was outsourced to private collectors who were from the area. The Town Council hosted a meeting in Unhimbu asking the community to elect three

⁶⁵ Interview, Outapi, 29 January 2004

⁶⁶ Two other newly established towns also receive operational subsidies from the central government, namely Eenhana and Opuwo.

⁶⁷ Interview, Outapi TC, 26 January 2004.

persons as debt collectors in their settlement. Three women were elected, who were known to be reliable and trustworthy.⁶⁸ They had lists of households and fees outstanding and walked from house to house to demand payment against receipts. People with outstanding debts were allowed to pay in instalments if a once off payment appeared to be too large. Because there were no fixed times for collection the three women considered the work well since it was flexible and allowed them to get on with their domestic chores. They were paid 15% of the amount they collected.

Initially the outsourced system of revenue collection was successful. During the first three months the women could collect up to N\$ 1,500 each, which implied that they could each make N\$225, a substantial salary for a few days work. Thereafter revenue collection dropped and it became increasingly difficult to collect the rates. Now they had to work every day, and still they collected only N\$ 500 per month, if they were lucky. This not only meant that they worked more, but they also earned much less. They also faced other problems such as lack of security for the money they collected. According to the CMT, collection dropped because ratepayers perceived that there were no sanctions against tax defaulters, and the women lacked tangible back-up from the council when ratepayers resisted paying.⁶⁹ Moreover, the income of the debt collectors might have been too small to create proper incentives for efficient collection. The women complained to the council about the increased workload and decline in salary, which left them close to destitute because they all felt unable to continue with their informal business activities, which formed the basis of their income prior to becoming debt collectors. But the council maintained that their salary depended on their effectiveness, without offering backup. Based on these experiences the council abolished the system of privatised debt collection. However, later in 2004 the three debt collectors of Unhimbu were engaged as supervisors of the Outapi open market.

Further measures are required and should be encouraged to improve revenue collection and to reduce the extent of illegal connections, particularly with respect to water supply. However, it is unrealistic to expect that Outapi TC will become financially independent in the short to medium term. Without continued and increasing grants from the central government, the council is unlikely to sustain even its current level of service provision to the citizens.

Expenditures

The composition of Outapi's expenditures is presented in Figure 5.2 above. As for Ondangwa, expenditures for salaries and wages are less than the national average. Interestingly, the share of expenditures for the purchase of water in bulk represents only 13% of total expenditures, as compared to the national average of 16% (and 25% for Ondangwa). Moreover, expenditures on maintenance and repairs of infrastructure and buildings are almost zero, compared to the national average of 5%. This raises concerns that existing infrastructure is not properly maintained. The net loss from sales of water may indicate poor maintenance of the water distribution system leading to substantial leakages. Capital charges represent only 3% of the total expenditures (as the council has a small external loan), far below the national average (7%), but higher than in Ondangwa (0%). Capital expenditures, however, represent 34% of total expenditures, compared to the national average of 8%. Outapi shares this feature with Ondangwa, and it probably reflects the council's financial priorities.

A recent study of local government finances and fiscal gaps commissioned by the ministry responsible for local authorities (MRLGH, 2004:104) concludes that 'it appears that the Town Council does not have the financial capacity to improve services in the informal areas over a relatively long period of time'. The study also questions whether comprehensive services can be rendered on a sustainable basis in Outapi. Since the majority of residents who currently do not receive services are not in formal employment, the ability of the Town Council to recover the cost of extending services is doubtful. Furthermore, due to the existing high tariff structure and the fact

⁶⁸ Interview, Outapi, 27 January 2004.

⁶⁹ Interview with the CMT, Outapi TC, 23 January 2004.

that the number of households in formal settlements is less than the number of households in informal settlements, it is unlikely that the Town Council will be in a position to cross-subsidise impoverished consumers.

Operating deficits and debts

The operating deficit in FY 2002/03 was N\$ 956,000. The lion's share of the deficit derived from net losses from trading services, in particular from electricity and water. As for Ondangwa, NORED did not pay any dividend to Outapi in FY 2002/03 (see section 5.1.5). Sales of water also generated a substantial net loss, although incomes from water trading were higher than the national average (Figure 5.1).

Non-payment of service charges

Illegal connections to water supply are considered to be a problem by the council. Residents also noted that illegal electricity connections were common.⁷⁰ Some electricians were said to make a living out of supplying illegal connections and stealing fuse boxes. The reason for the large number of illegal connections allegedly was that electricity used to be supplied free of charge and that people now refused to pay. There seem to be only minor differences between formal and informal settlements with respect to illegal water and electricity connections. Accordingly, most of the houses which were cut-off from the council's water supply due to illegal connections in 2003 were located in the formal settlements. This reflects to some extent the fact that in Outapi the problems surrounding water and electricity supplies appear not substantially different in formal and informal settlements, respectively. In Ondangwa, by contrast, the gap between formal and informal settlements is very large, to the disadvantage of the informal areas. This difference between the two case councils is mirrored in citizens' perceptions of major problems in revenue collection. While inability to pay (affordability) and high rates were perceived to be the major problems in Ondangwa (Table 5.4), the majority of the respondents in Outapi (60%) said that the main problem was that revenues collected were not spent on improving services (Table 5.8). A higher share of the respondents in informal Outapi (63%) than in the formal areas (56%) gave this answer.

Table 5.8 Outapi: Citizens' perceptions of major problems in tax collection
(in % of the respondents)

What are the major problems in collecting taxes		Status of settlement		Total
		Formal	Informal	
Tax money not spent on improving public services	Agree	56.0	63.2	59.9
Too many taxes and charges	Agree	62.7	52.9	57.4
Cannot afford to pay	Agree	53.3	51.7	52.5
Too high rates	Agree	57.3	41.4	48.8
Unwilling to pay until they receive better services	Agree	30.7	55.2	43.8
Unwilling to pay	Agree	26.7	31.0	29.0
Collectors are dishonest	Agree	17.3	13.8	15.4
Town council is staff dishonest	Agree	13.3	14.9	14.2
Collectors harass people	Agree	9.3	13.8	11.7
Local government politicians are dishonest	Agree	8.0	10.3	9.3
Regional councillors are dishonest	Agree	6.7	10.3	8.6
<i>N</i>		75	87	162

⁷⁰ Interviews, Unhimbu, 28 January 2004.

The majority of the respondents in Outapi (61%), although fewer than in Ondangwa (86%), disagreed with the notion that it is not necessary to pay council bills (Table 5.9). Similar views were expressed when asked if non-payment would be acceptable if one could get away with it (67%), compared to 93% in Ondangwa. However, respondents in informal Outapi stand out as those least likely to have views consistent with the majority of respondents. This might be due to the fact that relatively few of the respondents in informal Outapi reported receiving accounts from the council, but were more likely to make payments directly to debt collectors. Therefore, the views expressed here might reflect their perceptions of these collectors as much as their willingness to pay for services rendered.

Table 5.9 Outapi: Citizens' views on the necessity to pay council bills
(in % of the respondents by column)

Do you agree that it is not necessary to pay council bills?	Status of settlement		Total
	Formal	Informal	
Agree	10.7	37.9	25.3
Neutral	9.3	8.0	8.6
Disagree	77.3	46.0	60.5
<i>N</i>	75	87	162

Note: The category "Strongly agree" merged with "Agree"; similarly for "Strongly disagree" and "Disagree". The tables do not report the categories "Do not know" and "Answer missing".

Table 5.10 Outapi: Citizens' views on paying the bills or not in Outapi
(in % of the respondents by column)

Do you agree that you will not pay council bills if you can get away with it?	Status of settlement		Total
	Formal	Informal	
Agree	9.3	23.0	16.7
Neutral	8.0	10.3	9.3
Disagree	80.0	56.3	67.3
<i>N</i>	75	87	162

Note: The category "Strongly agree" merged with "Agree"; similarly for "Strongly disagree" and "Disagree". The tables do not report the categories "Do not know" and "Answer missing".

5.3 Summary

Limited planning capacity, combined with lack of relevant data and statistics represent major constraints for the implementation of the council plans in both Ondangwa and Outapi. In general, data on availability, coverage and affordability of services is lacking. For instance, no socio-economic profiles are yet available in the two councils. Thus, there is limited knowledge about the needs for infrastructure investments, access to electricity, sanitation, water etc. Subsequently, a key weakness that has been identified is the lack of local authority preparedness for planning and robust decision-making. Although some direct consultations with residents about plans and priorities take place in Outapi, planning in both councils is still largely based on guesswork rather than established facts of citizens needs. This limited internal planning capacity has opened a market for private consultants. Hence, town planning and land surveys in both councils are to a large extent outsourced to external consultants, making surveying even more expensive than it would be, if council staff would be able to do the job.

The roles and functions of councillors and council staff also need be delineated. The demarcation of powers, functions and duties are to date unclear. Political interventions of the councillors in the day-to-day operations of the councils are but one example of this. Moreover, the

functions of the regional councils are not very clear either. If the regional councils are meant to serve as a co-ordinating agency for the central ministries, this function should be spelled out. However, the financial resources currently available to regional councils are too small for any major investments.

Lack of qualified personnel to take charge of implementation, maintenance of infrastructure, financial management and accounting is a major constraint Ondangwa and Outapi town councils have in common. Outapi, however, seems as yet to be in a slightly better position in this respect. Considering the inadequate financial resources at the disposal of the towns and the short supply of qualified engineers and accountants willing to work with the councils, one possible approach might be that adjoining towns jointly hire a small number of such personnel and share their services. There is a good case for provision of joint financial accounting, for instance, since the towns are in general of modest size.⁷¹

In principle, Ondangwa and Outapi town councils are supposed to be autonomous and self-sufficient bodies. In practice, however, neither council is as yet financially viable. Assessment rates and charges on local services, particularly water, comprise the major revenue sources. In both councils there is a potential to improve collection efficiency, for instance by outsourcing revenue collection. But, the mixed experiences from Outapi with privatised collection of site rates and fees in 2003, shows that further outsourcing requires proper planning, including training of the collectors. Moreover, some revenue sources might be less appropriate for outsourcing than others. To enhance citizens' compliance, stronger links between payment of charges and service delivery are required.

NORED has taken over the electricity supply of all local authorities in the Northern Region with the exception of Oshakati TC. However, the establishment of NORED in 2002 seems to have benefited neither Ondangwa nor Outapi. Both councils complain about the lack of transparency of NORED's information sharing with the councils. In addition, the councils are still responsible for the development of new electricity infrastructure. When new areas are developed and settlements are formalised, the councils will have to take the capital costs. Furthermore, no maintenance agreement between the local authorities and NORED is in place. The councils' agreement with NORED thus needs to be re-negotiated.

Finally, systematic monitoring of the financial performance of local authorities in Namibia is almost entirely missing. Although the town councils submit their budget to the MRLGH and their financial statements to the Auditor General, no government body maintains a database on local finances and expenditure allocations. To some extent this is due to lack of standardised accounting practices and computerisation. Yet, the potential benefit of establishing and maintaining such a database are likely to be substantial.

⁷¹ The current situation is not much different compared to the one observed by Kim (1993) more than a decade ago.

6 Service delivery: Challenges from the citizens' perspectives

This chapter examines challenges facing Ondangwa and Outapi with respect to service delivery as perceived by the citizens of the two town councils. What is the availability of key services in formal and informal settlements, respectively? How do poor people cope with inadequate service delivery? Moreover, what are the priorities of the residents with respect to improved service delivery, and how do these priorities compare with the councils' strategies? Are there any differences in this respect between people living in Ondangwa and Outapi, and between residents of formal and informal settlements? How do we explain eventual differences?

The analysis in this chapter is based on citizen surveys and interviews with residents, councillors and community-based organisations. The surveys in Ondangwa and Outapi were conducted in April 2004 and covered 376 respondents in ten different settlements, four of them formal and six informal (see section 4.1). In Ondangwa 18% of the respondents came from the two formal settlements, while the majority (82%) came from various informal settlements. Some of these informal settlements are well established, like Okangwena and Uupopo, while others are newer, such as Omashaka and Ondiyala. In Outapi, 46% of the respondents resided in the one formal settlement, the centre of Outapi, while the rest came from the two informal settlements, of whom the vast majority reside in Unhimbu. In addition to the survey material, we also interviewed a number of individuals, representatives of community-based organisations, local and traditional authorities and community based authority structures, such as settlement committees. Open-ended interviews took place between January and February 2004 with residents and community organisations working in Uupopo and Omashaka as well as in Unhimbu. In all three settlements the assistance of settlement committees to identify respondents who were considered representative of the settlement and its population structure was sought. In addition, residents were randomly and without inside guidance approached. No interviews were conducted with residents or organisations active in the formal settlements.

6.1. Ondangwa

6.1.1 The settlements

The two oldest informal settlements, Uupopo and Okangwena were established during the boom area of Ondangwa in the 1970s. The characteristics of Uupopo reflect its origin as a settlement where SADF soldiers kept their wives and/or girlfriends, and where they spent their free time outside barrack life. Okangwena, however, was the settlement of service providers for the SADF staff. The supply of liquor (homebrewed and factory made) and cooked food, *ukapana*, and presumably prostitution, were main sources of income for the black population. Many rural women, attracted by the business potential of the soldiers, moved to Ondangwa. Since the formal settlements, under the *apartheid* laws, were forbidden to Africans who were not attached to the army, the informal settlements rose to prominence. This pattern has not changed until today. Uupopo and Okangwena are still centres for service provision. Located along the main road they draw a clientele also from the formal parts of town, civil servants, as well as passers-by. The majority of households in the two settlements sell either liquor and/or *ukapana*. In Uupopo business practically never closes, as local beer and spirits, together with the various foods are consumed around the clock. In Okangwena civil servants seek out informal eating places for their lunch break and early evening relaxation. Uupopo and Okangwena are, thus, lively places, where people meet

and relax. Its residents, however, face problems that their better off outside customers might not be aware of or care about. Some of these problems relate to the chronic lack of formal employment, limited informal employment possibilities, and unsatisfactory service provision from the council.

Okangwena is divided into two areas, one where informal buildings predominate and another part, which has recently been allocated to *Build Together* project houses. The more informal part of the settlement borders on the main road and represents the original settlement. Many of the plots in this part of the settlement are registered in the name of women who have been long-term residents. Some have managed to upgrade shacks into brick houses, others have been content to remain in the shacks they moved into when they first came to town. Most of the women make a living from informal sector activities, selling local beer and spirits, which do not require refrigeration, while those who are connected to electricity and own a fridge are selling chilled soft drinks and bottled beer. Others also sell snacks, such as boiled eggs, fried fish and fat cakes, or local dishes. Some of these businesses have expanded into informal restaurants, with tables, waiters and extended menus.

Uupopo is more mixed, with fewer female heads of household, more proper bars and shops, regular supermarkets, a grinding mill, a market and even a shop selling guns. But here too, the majority of the population survives on 'selling something'. Often this is local beer and spirits, for which there is a seemingly never-ending demand, as well as *ukapana*. Even in cases where households have a main income from the formal sector, informal sector activities are used to supplement incomes. In both informal settlements *cuca* shops, where 'something' is sold, is the basis of income generation.

Box 6.1: Beer, beer and beer again

P's wife brews local beer, and her business is thriving. Her courtyard is surrounded by a number of buildings made of corrugated iron, bits of wood and mud and straw, is always freshly raked. Improvised chairs and tables are arranged under trees in the shade, her daughters help, while the grand children play in the yard amongst the beer drinking customers. Her place is never empty. Even in the early morning customers demand her local brew to start the day with a buzz. Many of her customers are civil servants, police officers, soldiers who mingle with local dignitaries involved in the settlement committee, drunks and settlement 'clowns' who come to beg for free beer. P is an electrician and a tailor, trades he learned while in exile for over 20 years. But even though he does occasional business, his pension of N\$ 250 is his main income.

His wife's Cuca shop/bar feeds the family of 13, including 5 grown-up children, 4 grandchildren and 2 relatives. The success of the business has allowed the family to connect to water and electricity. But income has not been enough to upgrade their collection of shacks to a brick building, one of the biggest dreams of P, aged 67. Even though his wife runs a successful 'bar', P. is off many evenings to drink at other popular 'bars'.

Source: Interviews, Uupopo, January/February 2004

Some households, often female headed, manage to build brick housing and a stable informal business venture from almost nothing (see Box 6.1). Other households never manage to move beyond bare survival. And even successful entrepreneurs remain vulnerable to external shocks such as illness or death of the main bread-winner, loss of formal employment and the like, for which the commonly used survival strategies are not flexible enough. Such shocks particularly hit those who have taken on long-term loans, such as for housing, and those who lack family support. Many of the households that did manage to move above the average poor majority have done so slowly, consciously avoiding loans, by saving a little bit every day over years, which they invested into bricks, for the anticipated house.

Success stories apart, the majority of the informal settlement dwellers live a precarious life where incomes are miniscule at best. Women are, some respondents suggested, better placed to make a living in the informal sector, because they can turn to beverage and food selling which does

not require great investments, yet bring small but steady incomes (see Box 6.2). Women are also less likely to squander money on beer, even though they might sell it to make a living. Men feel that the catering business is not appropriate for them. Other informal sector activities require training and/or capital investment. Welding and shoe, watch and car or bicycle repair businesses are mentioned as some of the activities open to men in the informal sector. But in any case demand for such services is generally lower than in the catering business. Worst of all, however, are the difficulties to obtain start up capital: “Without money, you cannot get money”, complained one welder.⁷² There are exceptions, however, because bars – as compared to running a business from the home – are conducted from separate buildings and are more likely to be run by men. Mr. J., in Uupopo, who is still a young man, but married with children, built a ‘bar’ with leftover wood in a popular ‘square’ in Uupopo, decorated it with small means and invested in a music system. He sells bottled beer very cheap and this together with the almost sophisticated ambiance has been able to attract many clients who aspire for a nice time, but who cannot afford to head to expensive discos and bars. J. is busy using his profits to build a brick house. He is also planning to connect to the sewer and install a flush toilet.

Box 6.2: Boiled eggs are good business

Mrs. B. sells boiled eggs to make some extra money. Her husband is a welder, who has a workshop in Okangwena. She buys a tray of 30 eggs for N\$ 17 and after hard-boiling them she sells them for N\$ 1 per piece. Thus she can make a profit N\$ 13 since the salt she offers with the eggs is very cheap. People like to eat eggs when they drink beer. Her business, which is conducted very informally, carrying a tray around on the head, is very flexible and mobile and requires only very little investment. Moreover, it is not likely to be subject to hawker charges by the council.

Source: Interviews Uupopo, January/February 2004.

Although there are examples of enterprising men, it is mainly women, be they single or living with a partner, who effectively keep families afloat. Their partners are often appropriating part of the daily earnings for private consumption needs, such as alcohol and cigarettes (see Box 6.3). Women seem to represent the focal family points, while men tend to move between women, remaining dependent on their hosts’ goodwill to ‘keep them’. Because it is so hard to find men who contribute to the household, rather than depleting already scarce resources, many women choose to stay single or pool their resources with female relatives (see table 4.5).

Box 6.3: The cycle of drinking boyfriends and beer selling women

*Most houses in Okangwena are registered in the name of women. Almost all households run informal *cuca* shops – selling both beers and cooked food from the house. This is often the only or at least main income in the settlement. The women own the beer places and the men, who hang out with the women drink the beer. There are also customers who ‘move around’, i.e. come from outside the settlement. However, it is also true that money circulates inside the community from women to their boyfriends who carry it to neighbour women who will make some money from selling them beer. Their boyfriend in turn will take some of that money to drink the beer bought from other women who gave money to their boyfriends. There are, thus, two inverse circles of cash flows.*

*Women with informal businesses even go and drink in each other’s places just to help each other. Thus, if A realises that her friend is short of money, she visits her *cuca* shop and she drinks a coke just to increase her friend’s business, who at another time will reciprocate. There must be some value added in this exchange, but it is marginal.*

Source: Interview, Onkangwena, 21 January 2004.

⁷² Resident in Okangwena, Ondangwa, February 2004.

6.1.2 Availability of services and priorities

Table 6.1 summarises the respondents' perceived availability of services in Ondangwa's formal and informal settlements. With the exception of water, service delivery is incomplete in both formal and informal settlements. The table shows that, not surprisingly, formal settlements are better supplied than informal settlements and that gaps are particularly large with regard to the availability of electricity and sewage (around 15% for both services in the informal settlements, against 80-87% in the formal settlements). However, there are also differences between and within informal settlements, which are not reflected in the table and which will be further explored in this chapter.

Table 6.1 Availability of services in Ondangwa (in % of the respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
Water	100.0	100.0	100.0
Communal toilets	84.6	56.0	61.2
Garbage disposal	79.5	53.7	58.4
Electricity	87.2	14.9	28.0
Sewage	79.5	15.4	27.1
<i>N</i>	39	175	214

The newer informal settlements, for example, receive only water via pre-paid communal taps. In Okangwena and Uupopo services also include electricity, garbage removal as well as sewage and public toilets. However, even though these services are offered only few households have access to them, either because they do not function (public toilets), because connection or use is too costly (electricity and toilets), or because they are simply irrelevant (sewerage). Table 6.2 shows that electricity in the informal settlements is rated the second most important service (30%) after water (61%), both by women (31%) and men (28%). Moreover, electricity is also the service ranked second by the informal residents with respect to their willingness to pay for it (Table 6.3). Yet, the use of this commodity is particularly low in the informal settlements.

Table 6.2 Ondangwa: Ranking services by importance (in % of the respondents by column)

Service ranked most important	Status of settlement		Total
	Formal	Informal	
Water	71.8	60.6	62.6
Electricity	15.4	30.3	27.6
Toilets	5.1	9.1	8.4
Sewage	5.1	-	0.9
Garbage removal	2.6	-	0.5
<i>N</i>	39	175	214

Other services which are available are rated much lower in importance, both in the formal and informal settlements with the exception of toilet facilities for the informal settlement dwellers (ranked third most important by them). Sewerage, garbage removal and street lightning, however, were not rated at all. But, like electricity, only a small minority of the informal settlement dwellers are willing to pay for toilet facilities (3%), while those willing to pay for services beyond that are very few indeed.

Table 6.3 Ondangwa: Willingness to pay for services (in % of the respondents by column)

Service ranked most willing to pay for	Status of settlement		Total
	Formal	Informal	
Water	64.1	52.0	54.2
Electricity	28.2	42.3	39.7
Sewage	5.1	-	0.9
Toilets	2.6	2.9	2.8
Garbage removal	-	0.6	0.5
Street lighting	-	0.6	0.5
Answer missing	-	1.7	1.4
<i>N</i>	39	175	214

Interestingly, with respect to gender gaps in the ranking of services by importance and willingness to pay, our survey data does not convey any marked differences between men and women. Table 6.4 shows that men are ranking water somewhat higher than women, who in turn rank electricity and toilets higher. The same applies for willingness to pay for services.

Table 6.4 Ongangwa: Importance of service by gender (in % of the respondents by column)

Service ranked most important	Gender		Total
	Male	Female	
Water	64.2	59.0	60.6
Electricity	28.3	31.1	30.3
Sewerage	-	-	-
Toilets	7.5	9.8	9.1
Garbage removal	-	-	-
Street lightening	-	-	-
<i>N</i>	53	122	175

According to Table 6.5, the differences between men and women are minimal with women slightly more willing to pay for water and men for electricity. Women are also slightly more willing to pay for toilet facilities, garbage removal and street lightning.

Table 6.5 Ondangwa: Willingness to pay for service by gender (in % of the respondents by column)

	Gender		Total
	Male	Female	
Water	64.2	59.0	60.6
Electricity	28.3	31.1	30.3
Sewerage	-	-	-
Toilets	7.5	9.8	9.1
Garbage removal	-	-	-
Street lightening	-	-	-
<i>N</i>	53	122	175

Differences between the formal and the informal settlements also become apparent with regard to citizens' estimation of satisfaction with council service delivery (Table 6.6). Overall satisfaction

with schools, health services and water supply are most pronounced, but do not exceed 37% of the respondents. Items such as crime prevention, road maintenance and storm water drainage elicited the least satisfaction from the survey population. While satisfaction with other services varies widely between informal and formal settlements, the latter, including refuse collection and market place provisions, found equally little satisfaction among residents in formal and informal settlements. The largest difference in satisfaction levels between formal and informal settlements exist for the provision of electricity and toilets as well as for water supply, where formal settlement dwellers are much more satisfied. Surprisingly, however, informal settlement dwellers rated schools and health services better than did formal settlement dwellers. This might reflect different expectations with respect to service delivery quality.

Table 6.6 Ondangwa: Satisfaction with service delivery (formal/informal)

Service	Share of respondents feeling satisfied with services (%)		
	Formal	Informal	Total
Schools	33.3	37.7	36.9
Health Service	23.1	35.4	33.2
Water supply	56.4	27.4	32.7
Electricity supply	48.7	10.3	17.3
Toilets	46.2	9.1	15.9
Street lights	28.2	11.4	14.5
Refuse collection	12.8	14.3	14.0
Market place	7.7	10.9	10.3
Crime prevention	2.9	10.9	9.3
Roads	7.7	8.6	8.4
Storm water drain.	2.6	0.6	0.9

6.1.3 Types of services provided and used in informal settlements

In Okangwena, as already pointed out, the services provided are ruled by the formal/informal and old/new settlement divides. Formal settlements are favoured over informal settlements and older informal settlements receive better (or more) services than new ones. Informal settlements are often only supplied with a few communal water taps. Generally, we also find that the supply of services does not always match demand. There is, of course, a general demand for water, rated by citizens throughout as the most important service, and this is supplied to all areas. However, often the type of water supply does not meet demand. Communal taps with pre-paid access cards are the easiest and cheapest way to supply water to the informal settlements. But they do not necessarily represent the first choice of the residents who often prefer other water supply options.

There is also a large gap between the availability of electricity and its use by households. Demand for electricity is high – and rated the most important service by the respondents after water. However, even in settlements where electricity is supplied, very few households can afford connection. This is not so much because they would not be able to pay for the electricity, which can be rationed and supplemented by other sources of energy, but because they are unable to raise the connection fees charged by NORED in a lump sum. On the other end of the scale large gaps between supply and demand exist with regard to the supply of sewerage. For example, in informal settlements households cannot benefit from such a service, because they do not have flush toilets. Public toilets, often not available, too expensive due to fees, or broken, and garbage refuse removal are deemed important services, for which there is a great unfulfilled demand particularly in informal settlements. However, despite the need, the informal settlement dwellers do not prioritise these services for payment. All other services, with the exception of schools and health services remain comparatively unimportant to Ondangwa's township dwellers.

Water

Water is rated by citizens as the most important service in terms of need and consumers' willingness to pay. Delivery of water is also the main revenue base of the council. Table 6.7 gives a breakdown of the water services that are available for both formal and informal residents. While the majority of water connections in the formal settlements are private meters or prepaid private taps (69% and 15%, respectively), in the informal settlements prepaid communal taps and shared private taps with a private meter dominate (48% and 32%, respectively). Piped water supply with private meters is not common in the informal settlements (15%), even though such supply is much desired.

Table 6.7 Ondangwa: Water delivery in formal and informal settlements
(in % of respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
Comm. tap - prepaid meter	7.7	48.0	40.7
Comm. tap - no meter	-	1.7	1.4
Piped water - Comm. meter	-	1.1	0.9
Piped water - Private meter	69.2	15.4	25.2
Piped water - prepaid	15.4	0.6	3.3
Shared private tap - private meter	7.7	32.0	27.6
Answer missing	-	1.1	0.9
<i>N</i>	39	175	214

Residents in the informal settlements generally preferred the prepaid water system, since it offered opportunity to economise water consumption and to control expenses, avoiding situations where bills could not be paid and supplies be cut. To ensure a steady supply of water, of course, is - together with food - the most important item on the expenditure list. It is also the service which people are most willing to pay for. It is in everybody's interest to keep the supply running. While prepaid cards help to ensure this, the communal tap system does not. Communal taps frequently break down, often on account of misuse, such as the insertion of objects in the slots for the water cards. Repair work is long drawn out, often requiring spare parts, which are not available in the country. At the time of our research, Ondangwa Town Council ran 25 communal taps with pre-paid cards, of which 10 did not work due to damages caused, allegedly by vandalism.

Residents relying on communal taps complained that vandals are usually non-residents: "People are clever and know how to break the taps and get free water... and then it is broken for the others! And what are we to do when the communal tap does not work?"⁷³ For residents broken communal taps are serious, since they face longer daily trips to the next functioning communal tap, or at worst are forced to use alternative water sources which might not be safe.

In order to avoid heavy reliance on unreliable communal taps, residents of the informal settlements have been calling for private taps with the pre-paid system, a service that is at present only available in formal settlements. Lacking this option, some residents of the informal settlements instead have chosen to pool resources and share a private tap connection, even though it is not prepaid (see Box 6.4). In this system, three, four, or more households share one private tap connection, located in and ascribed to one of the participating households. Sharing the bill, that is paying equal shares of expenses related to the water used and/or the connection fees, defrays the cost of several single connections. And more importantly, it avoids disconnection due to non-payment, since the owner of the tap is able to rely on the others to cover for him, since all parties

⁷³ Resident in Uupopo, Ondangwa, February 2004.

have an interest in keeping the supply running. Members in this arrangement that repeatedly fail to contribute to the water bills are eventually excluded. The concomitant loss of an assured water-source represents an effective regulatory and enforcing mechanism.

Apart from this residents have suggested that in order to avoid disconnection due to breakage and misuse by outsiders, communal taps should be assigned to specific households, who are then in charge of maintenance and protection of their water source. They argue that currently communal taps are just placed in the streets, accessible to everybody, and the responsibility of nobody. Assigning each tap to a few households might limit misuse by outsiders, by allowing the 'owners' to limit access and enhance the sustainability and maintenance of the communal taps. However, placing services into the hand of the community is no guarantee to avoid misuse, as the story below of the communal toilets in Okangwena illustrates.

However, half of the informal settlement households in Ongangwa continue to rely on communal water taps. The poorer households, where members are destitute and often lack the resources to even buy a prepaid water card, use the card of others (almost 16%), of whom 13% against payment and only 3% for free (see Table 6.8). Many use the pre-paid water cards of neighbours who are still able to buy it at the lower price of N\$ 10, because the new price N\$ 20 is unaffordable for many of the poor. About 11% of Ondangwa's informal settlement dwellers reported not being able to afford water supply at all. While this might appear a small percentage, water is an essential good, and having no access has serious consequences. At worst it may lead to the use of unsafe water sources, at best relying on the goodwill of friendly neighbours (see Box 6.5). Residents who have virtually no income, because they are sick or otherwise unable to make a living, are particularly at risk. In fact 16% of the informal settlement dwellers in our survey admitted to the use of alternative water sources, but the actual number might be much higher.

Box 6.4: Shared 'private' taps in Uupopo

This is a household of 16 members, living in a four-roomed shack. Only one member of the household, the husband, is in paid employment, while the others 'just sit'. The respondent, the wife and mother, sells beer and ukapana from the house to supplement family income. The household is not connected to electricity and water. Instead it shares a private water connection with three other households. The four households use the tap and share the bill, when it comes. They do not find it problematic to share the bill equally, even if the amount of water each family uses is not measured. All four households use a lot of water since they are all engaged in the same business, i.e. beer brewing.

When asked if it would not be more beneficial for the owner of the tap to keep the water for himself, thus perhaps reducing competition in the beer brewing business, the respondent explained that avoiding competition is not the issue at all. On the contrary, the idea is to ensure that all the households that share the tap can make an income so that they can contribute to the bill regularly. The aim is to foster co-operation to ensure an uninterrupted water supply. It is a system of cost recovery that shares the burden amongst households, so that someone always can pay the bill and the participating households avoid being disconnected.

Only strangers are asked by the owner to pay for water directly against measurement in buckets. Otherwise the desire is to encourage participating households to continue using the tap so that they will contribute to the bill and help avoid being cut off. If, however, they do not pay their part, they are expelled and need to find another water source, which might not be so reliable and/or close by.

Source: Interview, Uupopo, January 2004.

Table 6.8 Ondangwa: Access to communal taps
(% of respondents within the settlements)

		Status of settlement		Total
		Formal	Informal	
Accessing communal tap using?	Your own access card	100.0	72.4	73.3
	The card of a neighbour without payment		3.4	3.3
	The card of a neighbour with payment		12.6	12.2
	Answer missing		11.5	11.1
Total		100.0	100.0	100.0

Rumours in Uupopo has it that residents use the rainy season flooded field in the middle of the settlement both to defecate and to collect water under cover of night. They would, however, not easily admit to such endangering behaviour. Residents admitted to using alternative water sources only when problems of water delivery, such as broken taps or cards or disrupted water supply occur (30%), or when they need to reduce cost or lack money or need to save money for other purposes (38%). Only one respondent admitted to using alternative water for drinking, however. More commonly respondents claimed to use alternative water sources for washing clothes and for irrigation only.

Box 6.5: Mutual help among the destitute in Ondangwa

E and M are living in neighbouring shacks, which are very basic one-room structures registered in their names. Both are widows in the late thirties and came to Uupopo some ten years ago, the one to join her mother, the other her husband. Between them they have 9 children, but only one lives with Emma. The others live with paternal grandparents in the rural areas and their upkeep is paid for by pensions or family contributions. M has a live-in partner, who, however, does not contribute to the household, instead being 'the one who finishes all the food first'. E has no partner.

E used to earn a small income from 'selling stuff', but she has been sick for a while. She cannot walk much, has gone thin and is treated for TB, and she has not been able to pursue her business activities. Without income she is dependent on others. She begs for food, soap and sometimes money from a small circle of friends. She is most dependent on M, who also looked after her when she was too sick to move. M shares everything with her: the N\$ 100/month M earns looking after the toddler of a neighbour, who works during the day; her pre-paid water card; and also her food.

M spends about N\$ 10 per month for water and this she shares with her partner and her neighbour and the child. They try and use as little water as possible, mainly for cooking and drinking, and a little bit of washing. E is treated in hospital for TB. She had to pay N\$ 9 initially, which covers all the follow-up medicines. This was a large sum of money for E, given to her by a friend. The problem now is the transport money to reach the hospital to get her medicines, N\$10 each time, which again she cannot afford.

Both M and E live a precarious life. But at least M is able bodied, and even if the babysitting job should be terminated, she will be able to 'sell something'. E, however, does not have much hope. Since she has been sick her relatives have not come and she is just no longer able to work anything. Her mother in the rural areas is herself old and poor, and she does not want to burden her further by returning there. E's only hope and greatest fear lies in her neighbour: the kind M might one day leave Uupopo and her behind.

Source: Interview, Uupopo, 2 January 2004

Electricity

Electricity supply in Ondangwa is very unevenly divided between the formal and the informal settlements (87% in the formal settlements against 15% in the informal ones). One of the reasons why so few households are connected to electricity is that many of the newer informal settlements (and some of the old) are not yet connected to the grid. However, even in settlements where electricity is available, few households are actually connected. Yet, as suggested earlier, even though electricity is considered second in importance to water; the majority of households in our survey who had private connections in Ondangwa (94%) also felt that electricity was affordable. Furthermore, 42% of the respondents said they were willing to pay for electricity (in both the formal and the informal areas), yet so few are connected in the informal settlements.

The reasons for this are manifold: Ultimately water is more important than electricity for survival. Electricity can be more easily replaced by other energy sources, and the range of sources that can be used is broader and more varied, according to both financial means and use: candles, paraffin, wood, etc can be used instead of electricity without having a major impact on the quality of life. Even in formal areas, where electricity use is high, 39% of all households reported using alternative sources of energy. Accordingly, cooking might still take place outdoors on a wood fire, while electricity is reserved for fridges and perhaps televisions, radios or lighting in the evenings. Some households just choose to use electricity for fridges, if this represents the basis of a business enterprise. Other uses can easily be replaced or altogether stopped, if costs are too high or supply is disrupted.

According to interviews, what stops many households connecting to electricity are the high connection fees, even in settlements, which are already on the grid. This is also consistent with the findings of a recent report on fiscal gaps in local authorities in Namibia, commissioned by the ministry responsible for local governments (MRLGH, 2004:19). Many households are just not able to afford the lump sum that is demanded. Moreover, unlike with water, where households can get together and share the water source, shared connections, i.e. indirect connection from one household to others are not reported, and they are illegal. Respondents in the informal settlements variously commented that NORED should supply the connection to houses and then recover the costs through monthly billing or through somewhat increased electricity prices.

Sewerage and toilets

Compared to water and electricity supply, the availability of sewerage and toilets are according to our survey not considered to have high priority in both formal and informal settlements. Sewerage is, however, a service ranked as slightly more available than electricity (27%), while the availability of communal toilets (61% overall) is only surpassed by the availability of water. These figures reflect an unwillingness of residents to pay for these services rather than a lack of need or dissatisfaction with the delivery. Sanitation needs are clearly larger than peoples' willingness to pay.

Table 6.9 Ondangwa: Ownership and use of toilet facilities (in % of the respondents by column)

Toilet type owned	Status of settlement		Total
	Formal	Informal	
<i>N</i>	75	87	162
VIP	-	0.6	0.5
Pit long drop latrine	-	20.0	16.4
Communal toilet	20.5	20.6	20.6
Flush w/ communal septic	53.8	6.3	15.0
Flush w/ private septic	25.6	6.3	9.8
No toilet facility	-	45.1	36.9
Answer missing	-	1.1	0.9
<i>N</i>	39	175	214

Toilet type used	Status of settlement		Total
	Formal	Informal	
VIP	-	5.7	4.7
Pit long drop latrine	12.8	33.1	29.4
Communal toilet	7.7	7.4	7.5
Flush w/ communal septic	53.8	6.3	15.0
Flush w/ private septic	25.6	6.9	10.3
No toilet facility	-	32.6	26.6
Other	-	7.4	6.1
Answer missing	-	0.6	0.5
<i>N</i>	39	175	214

Table 6.9 presents the availability and use of toilet facilities. With regard to the two types of flush toilets listed, we note congruence between ownership and use. This is not the case with the other categories, with communal toilets being underused and VIP and pit latrines being overused. Consequently, those who reported not to own a toilet facility is much larger than the category which reported not using a facility. The results of the survey would suggest that people who own either pit-latrines or VIP toilets share their facilities with those who have no access to own toilets. Owners of flush toilets do not, according to our data, share their facilities with outsiders. This is corroborated by our interviews where respondents declared that if one did not have a toilet it was always possible to ask others who had or to use the bush. Respondents were not willing to put toilets high on the 'want to pay for' list, even though many respondents felt humiliated by having to wait till nightfall to relieve themselves. Unlike private toilet facilities, however, public toilets are underused, because they either do not function or because user fees are considered to be too expensive.

That people need toilet facilities, but are not willing or able to prioritise them in their expenditure plans, might be further explained by the fate of the public toilet scheme in Okangwena. The installation of public toilets in this township formed part of the GTZ funded SWAMP project, aimed at upgrading the settlement with sewerage lines. According to residents, the idea of public toilets was welcomed in the settlement. Several toilet buildings were constructed in 1998, which contained two flush toilets and adjacent shower rooms with different entrances for each sex. The toilets were entrusted to caretakers who were to clean and maintain the toilets by charging N\$ 1 per customer. GTZ anticipated that up to N\$ 200 could be collected each month, enough to buy cleaning agents and toilet paper, pay the water and sewerage bills and compensate the caretaker.

Things turned out differently, however, since despite the great needs for toilet facilities people stayed away, finding the fee too high to pay. Some caretakers halved the price to attract customers. Others increased their profits by cutting corners on cleaners and toilet paper, offering newspaper instead, which led to blockages and general disrepair. Many could not make enough

money to pay the council fees. Today only one public toilet in Okangwena is in working order, run by the secretary of the settlement committee. Even though she does not make a profit, she likes free access to the toilet and shower for herself and her family. People are still using pit-latrines and the bush. Residents claim that the fee is too high, considering that many households have 10 or more members bringing the cost of toilet to a minimum of N\$ 10 per day, which is too much for households that have difficulty raising N\$ 6 each month for site rent. They even point out that HIV/AIDS positive residents, plagued as they are with persistent diarrhoea would use up a 'fortune' every day should they make use of the public toilets.

While the toilets have fallen in disrepair, Okangwena residents still have the price to pay, since residents with plots adjacent to the sewerage line are charged a fee of N\$3 by the council. This is done in spite of the fact that they are not connected to the sewerage and have no private tap and/or flush toilet. This has angered residents considerably. In Uupopo, also part of the GTZ project, the sewerage line is equally unused by residents (apparently only three households are connected) and equally resented, even though consultations about the intervention were held and people were keen to be 'offered flush toilets'. They were, however, not told about the connection fees of N\$400 to be raised on top of the expenses for the actual toilet and the council charges. The community simply cannot afford sewerage, and its members do not need it. According to one resident, what are people to do with a sewerage line when they live in shacks and even lack private water connections? Even as toilets are important for both formal and informal settlement dwellers, sewerage is not ranked as an important service by them and very low prioritisation in the formal settlements. Therefore, the availability of sewerage to 15% of the households in the informal settlements has not brought any improvement in living standards to its residents. On the contrary, it has meant for many an extra payment to the council only.

Refuse collection

Garbage collection is a service offered by the council to 58% of the Ondangwa residents (almost 80% in the formal and 53% in the informal settlements, respectively). Satisfaction with the service is, however, very low (14% of the respondents). Informal settlement residents perceived refuse collection to be irregular, as well as expensive. Some residents reported that they needed to buy a dust-bin for N\$100 to make use of the council collections, which they cannot afford even if they share a bin between households. Many residents failed to understand why they should pay for refuse collection, when the service was so irregular that they had to resort to burning of refuse anyhow.

Street lights, market place, storm water drainage, roads and crime prevention

These are services which residents generally are not willing to pay for, even though they generated responses indicating the least satisfaction both in the formal and the informal settlements. Storm water drainage facilities registered the worst responses from residents of both formal and informal settlements with respect to satisfaction levels (80% and 84%, respectively). Roads and marketplaces are also met with high dissatisfaction rates (around 60% for both types of settlements). Differences in the satisfaction levels between formal and informal settlements are apparent with regard to street lighting, with a larger percentage of the respondents from the informal settlements registering dissatisfaction (close to 70% compared with 43% in the formal settlements). With respect to crime prevention, perhaps surprisingly, formal settlement dwellers feel more dissatisfaction (62% against 53% in the informal settlements). Other services that were frequently demanded by informal settlement dwellers, or pointed out as absent, were public telephones. Respondents explained that very few households had phone connections, or mobile phones, because these were too expensive for the residents. However, they felt that access to phones was important in case of emergencies and for the occasional calls to friends and family.

Storm water drainage is a big problem in both formal and informal settlements, particularly in the rainy season. In Okangwena B, the part where *Build Together* houses are located, residents

claim that plots allocated by the council were waterlogged and never really dried out. Many residents also complained that even if plots were waterlogged and flooded, the council would not come to solve the problem, unless payment was made.

The issue of street lighting was hotly debated in some parts of the informal settlements where this service was totally missing (see Box 6.6). Informal residents appreciate lightning for purposes of crime prevention, but also because street lightening is important when the houses are not electrified. Some respondents also suggested that for informal settlement dwellers street lightening – like electricity in the house – would conform to a minimum stereotypical image of urbanity, which they aspired to. However, while residents were willing to pay for electricity – if connection fees were not charged in a lump sum – they clearly considered street lightning a service the council should provide for free.

Box 6.6: Solar streetlights in Uubenge was not what people had in mind

The lower part of Uupopo, Uubenge, had long complained to the council about being neglected. Even though the area housed approximately 185 households, only 7 households had electricity connections which they financed privately by branching off the grid further away. Only one communal water tap was provided, which often broke down. During a meeting with the council in November 2003 they raised these points, as well as the need for public telephones and street lights. The only response to these demands from the council was the installation of two solar street lights for the whole area. Residents felt cheated by the council since not only were the lights few, but they only produced very small and weak circles of light immediately under the lamp. It was not at all the service they had in mind!

Source: Interview Uubenge, 21 January 2004

6.1.4 Problems with payments: coping strategies

Payments of services charges compete with other payments and expenses, and households have to make choices what service and/or expense they prioritise. As we have seen, water and electricity are considered the most important services for which households are most likely be willing to pay. Access to piped water cannot be replaced easily unless with unsafe water sources. In Ondangwa very few people admitted to doing so. However, this might be true because there are only few seasonally available alternative water sources. Electricity can more easily be replaced. Many households in Ondangwa are forced to use alternative sources of energy because they are not connected to the electricity grid or the grid is not available. Communal pre-paid water taps offer easier access than to electricity, but they are also fraud with uncertainty because they might break down, or because cards run out on weekends when they cannot be renewed, or the money to renew them with is lacking. Very poor households might find it even difficult to make the initial investment of buying a card and need to rely on those of others, further increasing uncertainty of access.

One of the coping strategies employed has been the sharing of a private tap and expenses between a number of adjacent households. This works apparently well and is in everybody's interest. However, such arrangements are not obviously available for very poor households, who have either no or very meagre incomes, because they do not represent trustworthy co-tap-users with regard to sharing bills. Moreover, most likely the quantity of water they can afford is so small that equal sharing of water bills would not be beneficial. Using cards of neighbours against or without payment is then the only option to access tap water. Poor respondents in Ondangwa have observed that sharing of cards could best be done with almost equally poor friends and neighbours. Consumption of water in such cases can be restricted just to drinking water and cooking, leaving unsafe water sources for washing. If sharing of cards is not possible, begging or the use of unsafe water represents the only options.

Obviously, allocation of money for water, while very important, competes with allocations for food and many other expenditure items. Tables 6.10 and 6.11 set out what people spend money on every month. They show the main expenditure items for formal and informal settlement dwellers respectively, as well as for men and women. Table 6.10 suggests that food and water are the most frequent and therefore important expenditure items both in the formal and the informal settlements. Electricity is also an important and frequent expenditure item in the formal settlements, while negligible in the informal settings. School fees, remittances, transport, clothing, entertainment, and burial expenses play an almost equally important role in both types of settlement. Interestingly, both rental for housing and mortgages were fairly frequent expenditures in the formal settlements, while site rentals and expenditures for home improvement dominate in the informal settlements. With only 7% naming it as an expenditure item, rental has almost no significance for the informal settlement dwellers' budgets.

Table 6.10 Ondangwa: Items which money are spent on every month by settlement type (in % of the respondents)

Items spent money on every month	Status of settlement		
	Formal	Informal	Total
Food	100.0	100.0	100.0
Water	94.9	93.7	93.9
School fees	74.4	84.6	82.7
Remittances to rural area	61.5	68.0	66.8
Transport	69.2	60.6	62.1
Clothing	51.3	63.4	61.2
Site rent/property tax	48.7	56.0	54.7
Savings/insurance	43.6	36.6	37.9
Entertainment	30.8	31.4	31.3
Burial expenses	28.2	29.7	29.4
Electricity	87.2	13.1	26.6
Paying debts	28.2	19.4	21.0
Hiring and purchasing instalments	38.5	13.1	17.8
Home improvements	10.3	17.1	15.9
Rental for property	35.9	6.9	12.1
Mortgage and housing loans	30.8	4.0	8.9
<i>N</i>	<i>39</i>	<i>175</i>	<i>214</i>

Note: The respondents may report on all items of expenditure

Table 6.11 suggests that expenditure patterns of men and women differ less than between settlement types. In fact, gaps are minor, with men spending slightly more on savings, burial expenses and hire/purchase; while women spend more on transport, clothing and paying back debts. Interestingly, expenditure patterns on entertainment appear in our survey equally distributed between women and men, suggesting that men do not necessarily prioritise entertainment over other financial obligations, as suggested by some of the respondents during in-depths interviews.

Table 6.11 Ondangwa: Items which money are spent on every month by gender
(% of the respondents))

Items spent money on every month	Gender		Total
	Male	Female	
Food	100.0	100.0	100.0
Water	95.5	93.2	93.9
School fees	83.3	82.4	82.7
Remittances to rural area	69.7	65.5	66.8
Transport	57.6	64.2	62.1
Clothing	57.6	62.8	61.2
Site rent/property tax	54.5	54.7	54.7
Savings/insurance	40.9	36.5	37.9
Entertainment	31.8	31.1	31.3
Burial expenses	36.4	26.4	29.4
Electricity	27.3	26.4	26.6
Paying debts	18.2	22.3	21.0
Hiring and purchasing instalments	21.2	16.2	17.8
Home improvements	16.7	15.5	15.9
Rental for property	13.6	11.5	12.1
Mortgage and housing loans	9.1	8.8	8.9
<i>N</i>	<i>66</i>	<i>148</i>	<i>214</i>

For informal settlement dwellers education of children appears to be a very important expenditure item, which they prioritise immediately after food and water. Since expenditures for schooling are more seasonal with peaks at the beginning of school year or terms, when fees, school uniforms and books have to be purchased, poorer households who are less able to save for this event, tend to prioritise this expenditure against other items, including council fees (site rent, electricity bills etc) as well as debt repayments, remittances, home improvements and the like (see Box 6.7 below). However, peak expenditure periods like the beginning of a school year can present serious problems for poorer households, particularly in the informal settlements. During the year, poorer households might also balance various expenditure items against each other, in an attempt to offset being cut off council services. Thus, poor households may choose to service debts on water one month and on electricity another, and/or reduce consumption according to seasons. In the rainy season, for example, water consumption can be reduced by using alternative sources, while the savings offer opportunities to service electricity arrears or to pay for ploughing of fields in the rural areas. In the dry, hot season, cooking can be more easily done outside on open fires, while water consumption increases – clean drinking water and water for washing are more important then and alternative sources are not available.

Box 6.7 Survival strategies: Flowing with the seasons

S. lives in an informal settlement. She is single, lives in a brick house and runs a popular Cuca shop, selling local spirits and ukapana. Her main expenses are the school-fees for her four children, who do not live with her and the grandchildren who live with her. She pays N\$ 210 for the children that are boarding and N\$ 180 for those not boarding. She would rather wear rags than take the children under her care out of school. School, she believes, is the most tangible hope to improve life. Medical expenses also take much of her money, both the fees and the transport costs.

Her priorities change with the seasons. In the beginning of the year school fees take priority, while in the rainy season the priority is to paying labourers to plough her field in her home village. The ploughing might cost her N\$ 150. But that investment means that in other seasons she can save on food purchases. Electricity is important to her (she is connected to the grid) because she is in the ukapana business. Particularly electricity is required in the rainy season when she has to cook inside the house, and using wood or charcoal is not feasible. Water on the other hand can be collected in the same season and the water bill can thus be reduced. This way, by balancing seasonal needs, she manages.

Source: Interview Okangwena, 21 January 2004

The poorer the household, the fewer are the opportunities to make choices, however. For them, food and water are paramount and they simply have no space to negotiate that by adjusting consumption which already is at a minimum. In such cases, a reduction in consumption of these main items against school fees, medical expenses, clothing or site rent payments are simply not possible.

But even better off households with regular income sources might arrive at situations where choices no longer exist. Households that took on loans to build brick houses, be it *Build Together Loans* or smaller loans from the *Shack Dwellers Federation*, are vulnerable to shock when the regular income earner on whose salary the loan was financially based, is not longer able to work, on account of sickness or death. This event can plunge the rest of the family into serious financial problems, where even the purchase of food and water become a problem. While the two loan schemes offer some, even though limited, security through insurance, at times cases are complicated. This may happen when the main income earner acts as guarantor for his wife (see Box 6.8). Problems with repayments have bred a culture of fear and avoidance: most of the women we met who succeeded to upgrade their shacks to houses or their *cuca* shop to a 'proper' restaurant had done so without a loan. Instead they had chosen to embark on a long journey of financing it brick for brick – building the house step by step.

One of the respondents explained that she came to Uupopo in 1989 to make a living. She obtained land from the traditional authority and built a small shack on it. Ten years later she decided to build a brick house, because "a shack is not a place where you want to stay, it is not a home". In her mind shacks are too hot and dusty and too small for the children. The first step to house building was her investment into a tap, to facilitate brick making. She started to make her own bricks, one by one, which took over one year. Saving the N\$18 000 that the house eventually cost her, however, took much longer.

Box 6.8 Housing loan trouble

N. is 32 years old, has six children under her care (two are her sisters) and is owner of a 5 bed-roomed brick house with electricity, water and sewerage connections and an inside flush toilet. But what appears as a success story is in fact a sad story of failure. N. moved to town with her husband, who had steady employment with the roads authority. Encouraged by the steady income and the incomes she made with her cuka shop and ukapana business, she joined a Shack Dwellers Federation group to start saving in order to qualify for a loan for constructing a brick house. She saved the N\$ 750 required and was granted a loan of N\$ 17,000, with her husband acting as guarantor. She constructed her house with it. But then the death of her husband pushed her into total crisis.

Now she is no longer able to pay back the loan of which N\$ 14 000 remains. She also has to pay for all the rates and for the school fees for 3 of the children. She is also no longer able to run her informal business, because she lacks the money to invest in goods. She tried to borrow money from neighbours, but they too struggle, because it was just the beginning of the school year. Her husband was not on social security and therefore she will receive no compensation. Her immediate family, too, is not able to help, and her extended family would rather "see her fall from her high horse". Her home village also is out of the question since her mother already has a house full of children and no money. She will soon fall behind with all her payments. She had already failed to pay the water bill and the loan repayment for the current month.

The SDFN branch has not been helpful. Its members are adamant that she will have to pay the loan back, since her guarantor has passed away. They have suggested that she move out of the brick house again, construct a shack in the yard of her home and live in this in order to rent out the nice house, to raise the repayments of the loan. They also offered her a new N\$ 500 loan for trading, but this is in her estimation not enough since half of this would go on loan repayments. Her SDFN group also has not been able to help, since they now have 60 members and the needs of all those make the available loans very small. N. believes that she would need a private N\$ 1000 loan with no interest to move to a semi-urban area where life is cheaper, and she could start trading again. But, that money is nowhere in sight.

Source: Interview Uupopo, Ondangwa, 2 February 2004.

Ability to pay for expenditure items and flexibility to make choices or survive shocks do, however, not only relate to income but also to other factors. One is the relationship a person or household has to the rest of the community or the neighbours. Another is the relationship to rural areas. While families in rural areas represent a drain on the resources of urban households, in that remittances are regularly sent by both formal and informal settlement dwellers, rural areas are also a source of wealth. Part of this wealth, which adds to the survival of urban households, is rural produce, which moves from the rural area to town. The other is the link to relatives and close family, rather like a last resort and resting place in times of great hardship.

Our survey suggests that Ondangwa's informal settlement dwellers maintain as close a relationship to rural areas as do formal settlement dwellers, and that they outdo formal settlement dwellers with regard to maintaining fields there (see section 4.1.2). However, they receive somewhat less produce and fewer build homesteads there. This would suggest that informal settlement dwellers invest more in rural areas than what they would tangibly get back, unless it is the implicit security to know that they can return there. If we consider gender differences, we find that in Ondangwa women generally keep a closer contact to rural areas than men do. Women also receive more produce, even though the share of those women who keep fields (91% in our survey) and those who receive produce (25%) would suggest investment for multiple purposes, of which produce is only one. Feeding children who are living with relatives in the rural areas or just keeping in touch might be other significant reasons.

We frequently heard during interviews that rural links were considered very important, and that losing these links is a great misfortune. Informal settlement dwellers designated their

neighbours who had lost rural links as the poorest and most desperate of all. The respondents discussed their lack of contact to rural areas as a great disadvantage. One of our respondents explained that some people just stay in town too long, waiting for some break-through, but instead their poverty levels increase: "It is like a tree and in the end there is no branch left to hold on to any more." What often happens is that the poorer you get, the more difficult it becomes to keep up the connection to home, by sending money, ploughing fields and visiting, which in turn creates a deeper poverty, forcing the poor to stay in town and in poverty because they have nowhere to go. And having nowhere to go is the ultimate condemnation of poverty.

Often the break with rural areas is not a conscious one, but caused by circumstances. Urban living is sometimes not the only factor involved. It might also happen that rural relatives are jealous. Hence, when misfortune strikes they are unwilling to come to help, or they themselves live such marginal lives that they cannot afford to take on more economically inactive members. Whatever the reason, in many of the life stories we heard, the really destitute are just too ashamed to ask their poor rural families for help or to impose on them beyond sending their children there to be cared for. The absence of roots, the aimless, hopeless drifting in urban areas is likely to be a contributing factor to the widespread alcoholism, which is such a serious problem in the informal settlements. And alcoholism not only swallows all money, it also swallows all initiative to improve and energy needed to improve one's life.

6.1.5 Governance and participation

We noted that informal settlement dwellers seem to hold stronger opinions when it comes to judging service delivery compared to their formal settlement counterparts, who are more likely to admit to a neutral attitude. Informal settlement dwellers are also those who are neglected when it comes to service delivery issues and who have lost out in the decentralisation and urbanisation processes. How then do they view the new council structures, whose coming deprived them of previous rights to their plots and subjected them to charges for water (which was provided free of charge before) and to other utilities, many of which people find on their bills but do not even use or receive? Above we have looked at how households try to cope with the new dispensation in their daily decisions, but do they also actively try to seek redress? What roles do community based organisations, regional and central government institutions, traditional authorities and NGOs play for the informal settlement dwellers?

Table 6.12 sets out the responses of formal and informal settlement dwellers regarding their participation in various CBOs and local government institutions. The results suggest that in Ondangwa both settlement committee and council meetings are more frequently attended by the informal settlement dwellers, while council and traditional authority meetings are favoured in formal settlements. Informal settlement dwellers, in fact, attend a much larger range of meetings, including the settlement committee, town council, local and regional councillors and traditional authorities. This suggests that they have a greater need or desire to have their voices heard or to be informed. However, apart from the settlement committee other neighbourhood committees appear to be less important for the residents. Meetings of the Shack Dwellers Federation, which caters for the informal settlement residents, surprisingly attracted only 7% of the respondents in informal settlements.

Table 6.12: Ondangwa: Participation in CBOs and local government
(in % of the respondents by column)

Have you participated in the meetings of these institutions		Status of settlement		
		Formal	Informal	Total
The settlement committee	Yes	17.9	63.4	55.1
The town council	Yes	25.6	57.7	51.9
Local councillors	Yes	7.7	36.0	30.8
Regional councillors	Yes	7.7	26.3	22.9
Traditional authorities	Yes	20.5	20.6	20.6
Water management committee	Yes	-	10.3	8.4
Shack dwellers association	Yes	-	6.9	5.6
Waste disposal committee	Yes	-	5.7	4.7
Neighbourhood watch	Yes	-	4.6	3.7
	<i>N</i>	39	175	214

It is also interesting to note that meetings of the traditional authorities, while eliciting almost the same volume of participation in formal and informal settlements (21% attend the meetings), they represent the second largest attendance for formal settlements, while in informal settlements they come fifth only. Our assumption would have been that traditional authorities carry more weight in informal settlements since they were in charge before the town council took over. If we look at participation by gender (Table 6.13), subsuming formal and informal settlements in Ondangwa, we find that women prefer dealing with the settlement committees while men prefer town council meetings. Moreover, women are less eager to attend meetings with traditional authorities. According to our survey data, men dominate meetings of the Shack Dwellers Federation. This finding does not correspond to our qualitative data, which clearly indicates the predominance of female members.

Table 6.13 Ondangwa: Participation in CBOs and local government by gender
(in % of the respondents)

		Gender		Total
		Male	Female	
The settlement committee	Yes	47.0	58.8	55.1
The town council	Yes	57.6	49.3	51.9
Local councillors	Yes	31.8	30.4	30.8
Regional councillors	Yes	24.2	22.3	22.9
Traditional authorities	Yes	31.8	15.5	20.6
Water management committee	Yes	7.6	8.8	8.4
Shack dwellers association	Yes	7.6	4.7	5.6
Waste disposal committee	Yes	4.5	4.7	4.7
Neighbourhood watch	Yes	4.5	3.4	3.7
	<i>N</i>	66	148	214

Many residents in Ondangwa's informal settlements have complaints about the town council. People feel the council 'cheats' them, because they are required to pay for services they do not actually receive (e.g. waste removal), they cannot afford to connect to (private water connection, electricity), or they have no use for (e.g. sewerage). Many do not understand why they suddenly

have to pay for services that used to be free and pay for plots they previously 'owned'. They are also upset about the fact that with the inclusion of the informal settlement in the town borders they no longer receive draught relief, open only to rural residents.

Informal settlement dwellers perceive the town council staff as persons who come and promise, but never deliver. There have been many instances when settlement populations have requested certain services, and they were promised action, but then nothing happened. Examples are street lights, public phones, individual pre-paid water connections, assistance with clearing waterlogged places etc. At times the facilities requested have been delivered in a way not suitable to the residents needs; for instance public toilets with user fees attached, sewerage instead of public toilets with septic tanks, two solar panels instead of 'proper' street lights. Generally people perceive the situation as:

Living in Uupopo just means that you have to pay too many charges and fees. There are fees attached to selling (hawking), fees for licences when you have a small business. But then there is nothing in return. The Council always comes, promises and then nothing happens, and the council does not even bother to explain why.⁷⁴

But problems and suspicions of the council go deeper. In Okangwena residents living in shacks believe that the council want to chase them out "because they want to formalise the area". Apparently the council sent a message that everybody who wanted to stay in Okangwena had to build a brick house, or they would be removed or 'dumped'. People started to fear when rumours abounded that the council would move in with bulldozers to break down shacks. Some left on their own accord, both in order not to risk their shacks being damaged, but also in order to pick the best plots on the new site, much further away from the road. Others joined the Shack Dwellers Federation to start saving with them, because they wanted to be ready to take a loan for a brick building in order to avoid moving to the less attractive site.⁷⁵

Box 6.9 The Council has not been making friends in Okangwena

First the council came to Okangwena to do a survey, when plot sizes were reduced. One elderly single woman was asked to reduce her plot, meaning that she has to demolish her brick veranda where she runs a popular ukapana/liquor business, because it is in the way of a planned road. She has also been ordered to demolish or move a shed used for storage. She does not know how to do this, causing her sleepless nights. How is she going to break down the brick veranda and then rebuild it?

The council also came and said that shacks were no longer tolerated, and that people had to convert their shacks to brick houses. Those who cannot afford this or to buy the plot will have to move to more remote areas: "People are told to move, but they have their business here and they are not even given transport [by the council] to transfer their shacks to the new area. They will not be able to go." On top of this the new council doubled the annual hawking fee. People also find it hard to pay N\$ 6 for the site rent and now it is increased to N\$ 12. They have asked the council to fill in waterlogged places and holes in the road where drunk people fall into at night and hurt themselves. Residents also requested the installation of private pre-paid water taps, and again there was no reaction from the council.

Source: Interview, Okangwena 20 January 2004.

Many of our respondents from the informal settlements felt not only neglected by the council, but also exploited and disliked. Residents got a very clear feeling that they were just residing in informal settlements as a matter of time and on the sufferance of the council. This impression seems

⁷⁴ Interview Uupopo, 3 February 2004.

⁷⁵ Interviews, Okangwena, 20 January 2004.

confirmed by the observation that when the council holds meetings in the informal settlements they already have a decided agenda, and use the occasion merely to inform the affected population of those decisions, rather than seeking their comments, advise and priorities. And when the concerns of the population are listened too, they are hardly ever responded to in reality. Council staff was at least seen as having a certain interest, but councillors, on the other hand, were dismissed as being just interested in their political position. Voted in on a party list system, residents of informal settlements had no choice in the kind of person elected to office. Often they did not personally know the councillors or failed to establish trust in them. Local councillors certainly were perceived to be on the wrong side of the fence, encouraging people to pay rates and charges (72%) rather than sympathising with the poor who cannot afford to pay (1.4%) or even offer solutions (2%).

Regional councillors, however, were considered more trustworthy, since they were not directly connected to the council, rather perceived as being above the council. They were also voted in directly and, thus, represented known entities. Even though not many of our respondents in the informal settlements went to their meetings (26%) they were clearly more popular with the informal settlement dwellers and trumped the meetings with traditional authorities. Respondents claimed that they had more confidence in the regional councillor to pick up their complaints in their favour, rather than local councillors. There also seems to be distrust between the regional and local councillors, which is reflected in limited communication and dialogue. This distrust was also reflected in interviews with local and regional councillors, respectively (see chapter 5).

Our survey data confirm that only 55% of the respondents participated in council meetings in the last two years. Most participated in order to hear about electricity delivery (15%), get information (14%) and to hear about sewage (11%) while only 4% participated with a view to air their views and problems. Likewise only 35% of the respondents in Ondangwa believed it was useful to contact the council to voice discontent with service delivery. Many relied on the settlement committee (24%) followed by the regional councillor (14%). All other institutions were considered to be of little use, including the mayor (5%). As for the respondents view of local government officials, the majority (62%) believed that they were trying, but that they could improve. However, a staggering 54% of the respondents believed that corruption is a serious problem in the Ondangwa town council (see section 5.1.3).

Surprisingly, community based organisations seem not to play a large role in Ondangwa. In the informal settlements, the only CBO with any presence is the Shack Dwellers Federation (see chapter 4). However, even this organisation, which specifically aims to help informal settlement dwellers with few means, does not appear to be very popular. Only 6% of the respondents in our survey admitted being members. Moreover, two of the members in Okangwena whom we interviewed were members only by default. One became a member because she wanted to be ready for the eviction of shack dwellers. Another became a member by mistake, since she did not favour loans for fear of burdening her children with debts after her death, and anyhow the SDFN did not finance the upgrading of brick houses, an endeavour she had in mind.

The fear of taking on loans is widespread and fuelled by examples like the woman reported on above (see Box 6.8). The tendency is rather to build brick houses slowly bit by bit in order to avoid problems. Moreover, the fact that in Okangwena SDFN was involved with the council to upgrade Section A, might have discredited the organisation with the shack dwellers. The council came to an agreement with SDFN for the allocation of part of Onkangwena A, which they are expected to develop for their members within a five-year timeframe. For many shack dwellers, this inevitably means the formalisation of the area, where they no longer will have the choice to live in a shack.

6.2 Outapi

6.2.1 The settlements

There are only two informal settlements in Outapi. The smallest one, Kasikili, owes its informality not to shacks and informal businesses, but to a lack of surveying and services. The largest informal settlement, Unhimbu, covers a large area that includes 'proper' shops, bars and other businesses. Moreover, the residential areas in Unhimbu are striking mixtures of brick, mud and corrugated iron sheet housing interspersed on the edges by traditional homesteads.

The large business district contains shops that give the impression of being well established, selling a diversity of goods, ranging from clothing and bedding to tools and other accessories. The business part of Unhimbu also contains a lively market where produce, cooked food and second-hand clothing are sold. It is surrounded by bars and *cuca* shops, ranging from bigger bars selling bottled beers to small residential places selling local brews. In Unhimbu, alcohol and cooked food seem as popular as in Ondangwa's informal settlements.

Ondangwa and Outapi are marked by many differences, both with regard to service delivery and coverage, by the people who live in the settlements and their attitudes and strategies. The presence of larger and more formal businesses in the informal settlements suggests that its residents have different backgrounds and priorities, and that the status of the informal settlements is different from the corresponding ones in Ondangwa. Unhimbu grew with the civil war in Angola during the last 20 years, when it developed as a business centre for Angolans. Rural people from Angola brought their animals for slaughter and their produce for sale, and converted what they gained into household wares, clothing and tools which they took back to Angola to sell. Unhimbu had thus an importance before Outapi proper gained importance, and this is today still visible: most of the shops and business activities are located in the informal part of town, while the formal part is quietly residential. 'Unhimbu', some people suggest 'is the real powerhouse of Outapi!'

Situated close to the border to Angola, Unhimbu is home to many Angolans, who come over the nearby border post to trade and run businesses. Angolan pick-ups arrive in the morning with rural produce and return in the evenings with 'urban' produce (made in China), hard to find in Angola. Chinese shop owners established themselves in Unhimbu earlier because they pay very little by way of council taxes and have a steady market for their wares calculated to cater for the needs of Angolans. While the business section is busy all day and night, during daytime many of the residential buildings, many of them small one-room shacks, are closed and barred. We were told that many of their inhabitants are illegal immigrants who only come there under cover of night to sleep. We were also informed that many shacks in Unhimbu are actually owned by Outapi residents from the formal part of town who rent them out to Angolans.

The presence of more permanent structures in the informal settlement and the many businesses suggests that Unhimbu residents are relatively better off compared to people in the informal settlements in Ondangwa. Again, residents of Outapi suggested to us that female headed households were more numerous in the formal part of town, while Unhimbu was said to consist of large male headed households. Our survey data confirm this: the share of female headed households in formalised Outapi is indeed higher than in the informal settlements (51% in Outapi against 44% in Ondangwa), and it is generally lower than in Ondangwa (47% against 55%).

6.2.2 Availability of services and priorities

In Outapi, the service coverage of electricity supply (Table 6.14) is much broader than in Ondangwa, also in the informal settlements (70% in total in Outapi against 28% in Ondangwa, and 55% against 15%, respectively, in the informal settlements only). Availability of garbage disposal services, by contrast, reaches only 24% of informal settlement dwellers in Outapi (compared to 58%

in Ondangwa). Sewage is available to only 5% of the informal settlement dwellers in Outapi (against 15% in Ondangwa).

Table 6.14. Outapi: Services available by formal/informal settlements (in % of the respondents)

Description	Status of settlement		Total
	Formal	Informal	
Water	98.7	100.0	99.4
Electricity	88.0	55.2	70.4
Garbage disposal	89.3	24.1	54.3
Sewage	81.3	4.6	40.1
Communal toilets	5.3	43.7	25.9
<i>N</i>	75	87	162

When it comes to gaps in service delivery between the formal and the informal settlements in Outapi, we find that access to garbage disposal and sewage (as well as public toilets) show the largest disparities in favour of the formal settlements. With regard to the ranking of services by importance, we find that like in Ondangwa water is considered the most important service in Outapi, generally (Table 6.15). In the informal settlements toilets are ranked second in importance after water. Electricity comes third. However, the share of respondents ranking this service as the most important is less than half that in Ondangwa, while the percentage of those who rank toilets highest is almost twice the Ondangwa figure. As in Ondangwa, other services have much less or no importance in the ranking.

Table 6.15: Outapi: Ranking services by importance (in % of the respondents)

Service ranked most important	Status of settlement		Total
	Formal	Informal	
Water	81.3	58.6	69.1
Electricity	10.7	12.6	11.7
Sewerage	1.3	3.4	2.5
Toilets	5.3	17.2	11.7
Garbage removal	-	4.6	2.5
Street lightening	1.3	2.3	1.9
<i>N</i>	75	87	162

In terms of households' willingness to pay for services (Table 6.16), we find that while water ranks highest, electricity is of much less value for both the formal and the informal settlement dwellers in Outapi, presumably because they are connected to the electricity grid already. Again toilets rank high, also when it comes to citizens' willingness to pay. In the informal settlements, 10% of the respondents are willing to pay for the service – a substantially larger share of the respondents than in Ondangwa (3%).

Table 6.16 Outapi: Willingness to pay for services (in % of the respondents)

Service ranked most willing to pay for	Status of settlement		Total
	Formal	Informal	
Water	76.0	64.4	69.8
Electricity	17.3	19.5	18.5
Sewage	1.3	1.1	1.2
Toilets	4.0	10.3	7.4
Garbage removal	-	3.4	1.9
Street lighting	1.3	-	0.6
Answer missing	-	1.1	0.6
<i>N</i>	75	87	162

In Outapi's informal settlements women value sewage and toilets more than men (Table 6.17), while men are slightly more in favour of water, electricity, garbage removal and street lightning. Men are also somewhat more willing to pay for water, sewage and garbage removal, while women favor electricity and toilets for payments.

Table 6.17 Outapi: Ranking importance of and willingness to pay for services by gender (in % of the respondents in informal settlements only)

Service ranked most important	Gender		Total
	Male	Female	
Water	60.6	57.4	58.6
Electricity	15.2	11.1	12.6
Sewerage	-	5.6	3.4
Toilets	15.2	18.5	17.2
Garbage removal	6.1	3.7	4.6
Street lightning	3.0	1.9	2.3
<i>N</i>	33	54	87

Service ranked most willing to pay for	Gender		Total
	Male	Female	
Water	66.7	63.0	64.4
Electricity	18.2	20.4	19.5
Sewage	3.0	-	1.1
Toilets	9.1	11.1	10.3
Garbage removal	3.0	3.7	3.4
Answer missing	-	1.9	1.1
<i>N</i>	33	54	87

Gaps between the formal and the informal settlements also become apparent when we look at the share of the respondents who are satisfied with service delivery. Satisfaction levels are, as expected, generally higher in the formal settlements (Table 6.18). The only exception is schools, with satisfaction levels being lower in the formal settlement (8% against 24% in the informal settlements). On the other hand, we find that for the informal settlement dwellers water and electricity delivery, refuse collection, sanitation and crime prevention are the sectors where the gaps to the formal settlements are perceived to be greatest. Formal and informal settlement dwellers registered fairly similar satisfaction levels with regard to health services, market places, roads and storm water drainage.

Table 6.18 Outapi: Satisfaction with services (in % of the respondents by column)

Service	Share of the respondents feeling satisfied with services		
	Formal	Informal	Total
Water supply	63.3	25.2	43.8
Electricity supply	62.7	23.0	41.4
Health service	36.0	32.0	34.0
Refuse removal	44.0	5.7	23.5
Crime Prevention	33.3	10.3	21.0
Schools	8.0	24.1	16.7
Toilets	24.0	0	11.1
Street Lightning	9.3	1.1	4.9
Market	4.0	4.6	4.3
Storm water drain	2.7	1.1	1.9
Road maintenance	2.7	0	1.2

As in Ondangwa, there is a mismatch in Outapi between the dissatisfaction with services and peoples' willingness to pay for the services (Table 6.18). Willingness to pay is most pronounced with respect to water. For electricity, however, service satisfaction was generally quite high, while the willingness to pay for electricity was relatively low. Moreover, the lack of satisfaction with sanitation facilities (toilets) in Outapi's informal settlements is not matched by an equal willingness to pay. Only 10% said they were willing to pay for this service, while 100% said they were dissatisfied. Similar disparities exist with regard to refuse removal in the informal settlements: only 6% are satisfied, yet only 3% are willing to pay for the service. As in Ondangwa, more general services supplied to the community, such as markets, roads, street lightning etc. are marked by high dissatisfaction levels coupled with very low willingness to pay.

When it comes to prioritisation for improving services, overall 29% of the respondents prioritise an improvement of water services, 15% prioritise electricity supply, and 14% health services. With respect to schools, only 8% of informal settlement dwellers prioritised them. In Ondangwa, by contrast, formal and informal settlement dwellers prioritised improvement of schools (37%), health services (15%), followed by water and electricity supplies (12% and 9%), respectively.

6.2.3 Types of services provided and used in informal settlements

Unhimbu is particularly disadvantaged with regard to garbage collection, sewage and the availability of toilets. While electricity is available to fewer households in the informal settlements, still the coverage is good compared to Ondangwa where it reached only a few households in the informal settlements (55% in Outapi against 15% in Ondangwa). Informal settlement dwellers are particularly keen to effect changes with regard to garbage disposal and toilets, and all of the respondents prioritised improved water supply. This might, however, not relate so much to connections, but to supply, which is frequently disrupted due to the fact that the town does not have a water tower. The problem of disrupted water supply affects both the formal and the informal settlement dwellers.

Water

As for Ondangwa, water is the service that is prioritised by Outapi's citizens both in terms of need and willingness to pay. Table 6.19 provides a breakdown of the water services that are available for both the formal and the informal residents. Note that in the informal settlements communal stand-

pipes with the pre-paid card system are by far the most common source of water. Other systems hardly feature at all. In fact communal pre-paid water taps provide water to a much larger number of the residents in Outapi's informal settlements than what is the case in Ondangwa (93% in Outapi against 48% in Ondangwa).

Table 6.19 Outapi: Water connection types used in formal and informal settlements
(in % of the respondents by column)

Description	Status of settlement		Total
	Formal	Informal	
Comm. tap - prepaid meter	22.7	93.1	60.5
Comm. tap - no meter	2.7	2.3	2.5
Piped water - Comm. Meter	5.3	-	2.5
Piped water - Private meter	50.7	3.4	25.3
Piped water - prepaid	17.3	1.1	8.6
Shared private tap - private meter	-	-	-
Answer missing	1.3	-	0.6
<i>N</i>	75	87	162

While in Ondangwa, residents share private taps to avoid disruptions in the water supply caused by vandalism of the communal stand-pipes, this coping strategy has not been reported in Outapi at all. Perhaps the problem in Outapi is not so much the inadequacy of the communal taps, but rather the lack of a steady flow of water due to technical problems. Private taps would not solve this problem.

If communal water taps present less of a problem to Outapi's residents, water prices are apparently affordable for only half the informal settlement dwellers. By contrast, in Ondangwa, only 11% of the same group could not afford the water service.

The better coverage and supply of water in Outapi goes hand in hand with higher prices. Yet, the share of informal settlement dwellers who own their own access card (90%) is substantially higher than in Ondangwa (72%). In Outapi too, the share of those who use the card of a neighbour without payment, is higher, accounting for almost all the remaining respondents who do not own cards (Table 6.20). Using the card of others against payment, which accounted for 12% in Ondangwa, was not reported in Outapi (1%).

Table 6.20 Outapi: Mode of access to communal taps (in % of the respondents)

		Status of settlement		Total
		Formal	Informal	
Accessing communal tap using?	Your own access card	89.5	90.4	90.2
	The card of a neighbor without payment		8.4	6.9
	The card of a neighbor with payment		1.2	1.0
	Answer missing	10.5		2.0
Total		100.0	100.0	100.0

The use of alternative sources of water is more pronounced in Outapi, both in formal and informal settlements compared to Ondangwa. The majority uses alternative sources of water when the town's water system is closed down or when they have no money to buy or refill a card. Given the fact that the informal settlements are almost exclusively accessing water through communal taps, closure of water supply due to non-payment is not a problem. The main alternative water source in Outapi is the canal. However, in Unhimbu people also draw water from a small lake and the seasonal flood plain located in the middle of the settlement. The latter presents a particularly dangerous source of water, since it is stagnant and polluted, and also used by residents at night as a toilet. We were informed that some of the households on the edge of this health hazard, who brewed local beer, would draw water from the flooded area to use for the beer preparation to reduce production costs. One resident interviewed, argued that the fact that people still use unsafe water sources is not only an issue of saving money, however. According to him, people use unsafe water because they are unable to change their traditional mind-set. He suggested it was a cultural inflexibility that got some people to drink unclean water.

Electricity

While access to electricity is more evenly spread between formal and informal settlements, the share of the respondents using alternative sources of energy in the informal settlements is as high as it is in Ondangwa (93% in Outapi against 91% in Ondangwa). In fact, even in Outapi's formal settlements, as many as 65% of the responding households reported that they use alternative sources or energy. This seems, however, not to be related to affordability: 92% of the respondents who had connections in Outapi also stated that they could afford the rates. The most popular alternative sources of energy are by far wood (79%) and candles (68%), which are used for cooking and lighting, respectively. Thereafter follows paraffin (45%), used both for cooking and lighting. Gas, charcoal, batteries, or animal dung, however, are not important energy sources for Outapi's residents.

Irrespective of electricity connection, people still seem to favour wood and paraffin for cooking and candles for lightning. The share of the respondents using candles, for example, is the same in Outapi and Ondangwa (67%). With regard to the use of wood for cooking, figures are only slightly higher in Ondangwa (85% against 72%). This suggests that for those households who are connected to the electricity grid, electricity is mainly used for other purposes, such as perhaps fridges, televisions, radios etc.

Sewage and toilets

In Unhimbu the lack of toilet facilities is clearly a big problem for people. All the respondents interviewed brought up the issue. For some residents it was a problem because people defecated in their yard at nightfall. Others mentioned the dreadful practice of using the flooded area of the settlement as a toilet, as we also heard in Uupopo, after night fall. Unlike in Ondangwa, however, the share of households with access to sanitation facilities was even lower. In the informal settlements 48% of the respondents owned no toilet facilities, and surprisingly 11% of the formal settlement dwellers said they were in the same predicament (Table 6.21). Communal toilets were not accessible to any of the residents in the informal settlements. They existed, but had fallen into disrepair due to lack of maintenance. The communal toilets were under the control of the Unhimbu settlement committee, which could not handle the task. One of its members suggested that what they needed was a system, similar to that used in Okangwena, in which care-takers collected fees from users in order to pay for maintenance and a small salary for the care-taker.

The lack of communal toilets left pit latrines and VIPs for the informal settlement dwellers. Interestingly VIP toilets are as common as ordinary pit latrines, while they are not found at all in Ondangwa's informal settlements, even though residents there expressed a strong interest in this type of sanitation.

Table 6.21 Outapi: Ownership and use of toilets (in % of the respondents by column)

Toilet type owned	Status of settlement		Total
	Formal	Informal	
VIP	2.7	25.3	14.8
Pit long drop latrine	2.7	21.8	13.0
Communal toilet	2.7	1.1	1.9
Flush w/ communal septic	78.7	-	36.4
Flush w/ private septic	2.7	3.4	3.1
No toilet facility	10.7	48.3	30.9
<i>N</i>	75	87	162

Toilet type used	Status of settlement		Total
	Formal	Informal	
VIP	2.7	37.9	21.6
Pit long drop latrine	2.7	21.8	13.0
Communal toilet	4.0	1.1	2.5
Flush w/ communal septic	77.3	-	35.8
Flush w/ private septic	2.7	3.4	3.1
No toilet facility	8.0	34.5	22.2
Other	2.7	1.1	1.9
<i>N</i>	75	87	162

With respect to the actual use of sanitation facilities, we note that in the informal settlements ownership and use of toilet facilities is congruent, with the exception of VIP toilets, which seem to be frequented by more people than the owners. Still, 35% of the informal settlement respondents have no access to toilets. In the formal settlements some residents without toilets seem to use communal toilet facilities, leaving, however, another 8% without facilities.

Refuse collection

Disposal of household refuse is another weak spot of Outapi's service delivery to Unhimbu. Availability of and satisfaction with the service is low in the informal settlement. Only 1/3 of all the respondents in Unhimbu have access to garbage removal services, forcing 22% to dispose of their rubbish on a private refuse dump. For those who are connected to the service, the council removes garbage once a week for 12% and more rarely in 14% of the cases. In fact, Outapi town council relies on one contractor with only two pick-ups to deal with waste management. The contractor is evidently not able to deal with the volume of work and appears to be concentrating on the formal areas. In order to help make Outapi cleaner, the council has been running clean-up campaigns, where members of a youth club did some cleaning and encouraged others to clean up. But these initiatives do not solve the waste disposal problem permanently.

Street lighting, market place, storm water drainage, roads and crime prevention

The respondents are very dissatisfied with these services which they believe the council should provide free of charge. The dissatisfaction shows little difference between the formal and the informal settlements. About 87% of the respondents were dissatisfied with the roads. The corresponding figure for the market places is 80%,⁷⁶ while 71% of the respondents are dissatisfied with street lighting and 37% with crime prevention.

⁷⁶ This figure is likely to have improved since the council inaugurated its new open market in early 2005.

It is no wonder that the market place, situated on the edge of the flooded area in the centre of Unhimbu without cover or benches and slabs is considered a problem. Moreover, the roads in Unhimbu are almost impassable in the rainy season. Only the main roads in Outapi are tarred. Unhimbu residents have 'demanded' that the council fill in the 'flood plain' in the middle of the settlement, but the council claims that this is not possible. Street lightening is not available in the Unhimbu part of town.

As for schools and health services, it seems that the respondents in Unhimbu are happier with these services than the respondents in formal Outapi. Perhaps they expect less to be happy, or perhaps they do, in fact, not need the service so much, because they are not permanent residents?

6.2.4 Problems with payments: coping strategies

As we have seen, the situation in Outapi's largest informal settlement Unhimbu appears to be quite different from the situation in Ondangwa's informal settlements. Unhimbu is less of an organic settlement and more a place of business. Everybody seems to be there to pursue some business. There is a lot of movement as people travel from and to Angola. For many residents, Unhimbu is just an occasional home to conduct business, while 'real' home is somewhere else, perhaps in rural Angola.

This face of Unhimbu creates different needs and priorities. Certainly, in Unhimbu too, residents prioritised water and electricity together with toilets and waste removal as the most important services. But many residents also use alternative sources of electricity, particularly for cooking and lightning. Table 6.22 below provides a breakdown of the items people spend money on every month. We note that, as in Ondangwa, food and water make up monthly payments for all residents. In informal areas in Outapi, site rent is ranked third, with 76% of the respondents having this monthly expenditure. In Ondangwa, site rent did not feature among the most frequent and largest expenditure items for informal settlement dwellers. Surprisingly, while school fees feature in the monthly pay packages of 53% of the Outapi informal settlement sample, remittances to rural areas, transport, debts, home improvements, hire and purchase payments and home improvements are of minor importance.

The relative importance of site rent might be explained by the fact that in Outapi site rent is higher than in Ondangwa, generally, and that site rent/tax for businesses is collected in a more rigorous fashion. In fact, many of the premises are either businesses or mixed businesses/residential places, and thus are charged higher rates than pure residential houses. In November 2003, the Town Council had to reduce the site rent by 35% after complaints from the public that it was too high.

Table 6.22 Outapi: Items which money is spent on every month (in % of the respondents)

Items spent money on every month	Status of settlement		
	Formal	Informal	Total
Food	100.0	98.9	99.4
Water	96.0	100.0	98.1
Electricity	86.7	50.6	67.3
Site rent/property tax	50.7	75.9	64.2
School fees	46.7	52.9	50.0
Remittances to rural area	58.7	23.0	39.5
Savings/insurance	64.0	10.3	35.2
Transport	46.7	14.9	29.6
Clothing	21.3	35.6	29.0
Entertainment	30.7	25.3	27.8
Rental for property	37.3	2.3	18.5
Mortgage and housing loans	33.3	-	15.4
Paying debts	26.7	2.3	13.6
Hiring and purchasing instalments	25.3	-	11.7
Home improvements	9.3	4.6	6.8
Burial expenses	5.3	-	2.5
<i>N</i>	75	87	162

The lower importance of remittances, debt repayments, and home improvements, point to the fact that many Unhimbu residents still have strong roots in rural society. When moving from rural areas to Unhimbu and back, remittances are perhaps not relevant, just as home improvements would have less or no relevance in rented or temporary accommodation. This relative detachment from the place they conduct business in may also explain why Outapi informal settlement dwellers apparently have less of a problem with the council's plans to formalise Unhimbu. For the majority of the residents, formalisation of the area simply means shifting to a new location where business will be conducted as usual. Considering that the customers are largely coming from outside Outapi, and Outapi is not so big as to displace people far away from the centre, this might well be true. The different outlook is also apparent in Unhimbu residents' attitude to and relations with various institutions, especially the town council.

6.2.5 Governance and participation

With respect to peoples' satisfaction and dissatisfaction with services in Outapi, we note that differences between formal and informal settlement dwellers are less noticeable compared to our observations in Ondangwa. In Outapi residents of both the formal and informal settlements have almost identical sentiments regarding various services, be it satisfaction, neutrality or dissatisfaction. The only exceptions are with respect to toilets and street lightning, which caused the residents of Unhimbu to be much more dissatisfied than people in the formal settlements.

Regarding participation in CBOs, the respondents in Outapi are more passive than in Ondangwa. The highest participation rate among respondents was registered in the HIV/AIDS committee, which was initiated and is run by the council health officer (Table 6.23). Settlement committees seem to have limited importance in Outapi, both among formal (15%) and informal (13%) settlement dwellers. The comparative figures for Ondangwa are 21% and 49% respectively. The Shack Dwellers Federation, by contrast has more significance in Outapi's informal settlement than in Ondangwa's (18% in Outapi against 6% in Ondangwa). Moreover, unlike in Ondangwa where women formed the majority of participants in the settlement committees, in Outapi they are

frequented more by men, as is the case with all but the HIV/AIDS committee, were women dominate.

Table 6.23 Outapi: Participation in CBOs (in % of the respondents)

Do you participate in meetings of any of these CBOs		Status of settlement		
		Formal	Informal	Total
HIV/AIDS committees	Yes	34.7	39.1	37.0
Settlement committee	Yes	14.7	12.6	13.6
Shack dwellers association	Yes	6.7	18.4	13.0
Water point committee	Yes	5.3	11.5	8.6
Burial society	Yes	4.0	5.7	4.9
Waste disposal committee	Yes	8.0	1.1	4.3
Neighbourhood watch	Yes	6.7	2.3	4.3
Credit and savings schemes	Yes	2.7	1.1	1.9
Other	Yes	1.3	-	0.6
<i>N</i>		75	87	162

The town council is drawing participants from both formal and informal settlements (Table 6.24). In Ondangwa, by contrast, participation levels are generally highest in informal settlements. In Outapi, however, significant differences between formal and informal settlements are only apparent with regard to participation in Shack Dwellers Federation, traditional authority and water committee meetings where informal settlement dwellers dominate, and in meetings with local councillors, where formal settlement dwellers have a higher participation level.

With regard to participation in CBOs and formal institutional set-ups, except from town council meetings, participation levels are generally low (Table 6.23). Formal settlement dwellers seem to like meetings with local councillors less than meetings with the town council, while informal settlement dwellers favour meetings with traditional authorities over local and regional councillors. As already mentioned, settlement committees have less importance in Outapi's informal settlements compared to the water management committee, for example, which appears to have more prominence. The Shack Dwellers Federation is also more important for the informal settlement dwellers in Outapi than was the case in Ondangwa.

Table 6.24 Outapi: Participation in CBOs and selected local government institutions (in % of the respondents)

Have you participated in the meetings of these institutions		Status of settlement		
		Formal	Informal	Total
The town council	Yes	66.7	66.7	66.7
Local councillors	Yes	36.0	23.0	29.0
Traditional authorities	Yes	22.7	31.0	27.2
Regional councillors	Yes	25.3	12.6	18.5
The settlement committee	Yes	13.3	19.5	16.7
Water management committee	Yes	10.7	21.8	16.7
Shack dwellers association	Yes	5.3	14.9	10.5
Waste disposal committee	Yes	8.0	4.6	6.2
Neighborhood watch	Yes	4.0	2.3	3.1
<i>N</i>		75	87	162

Moreover, we find that women participate more in meetings with settlement and water management committees, while men favour town council and local councillor meetings. Unlike in Ondangwa, traditional authority meetings are attended by both genders equally. Overall, a larger share of the respondents attend such meetings (27%) compared to Ondangwa (21%).

Unlike in Ondangwa, where complaints about the council are widespread in the informal settlements, this is not the case in Outapi. People are dissatisfied with service delivery and complain about the rainy season lake in the centre of Unhimbu, which the council is doing nothing about. But there was no sense of feeling disadvantaged or discriminated against by the town council. This is perhaps due to the fact that residents stay there only temporarily, or in order to run a business, thereby avoiding high taxation, which would have incurred in the formal sector in the town. In Unhimbu no great opposition to the plans of the town council to formalise the settlement could be discerned. On the contrary, residents apparently co-operated with the council on deciding which layout the new formalised settlement should have.

According to the CMT, people who have been living in the area for some time would be given larger plots of 800 m² instead of 300 m². Services planned for formalised Unhimbu include one communal VIP toilet for every four households and one communal tap for each 15 households. Compensation for resettlement is, theoretically, only due to those who own permanent structures. Moreover, the Shack Dwellers Federation branch in Outapi has received a piece of land from the council in order to resettle people there who will not afford to stay in a formalised Unhimbu. The Federation certainly enjoyed more support in Outapi than is the case in Ondangwa.

In Outapi the share of respondents who would contact the town council in case of problems is much higher (52%) than is the case in Ondangwa (35%). Almost a third of the residents of Outapi also believe that local government politicians do not really care about payment of service charges (against 72% in Ondangwa). Moreover, while in Ondangwa people went to council meeting largely to obtain information or on account of electricity, water etc., Outapi residents claim to go to council meeting for a host of reasons, including to learn about and contribute to general ideas about town planning, site rental, town development, service delivery to air views and to discuss debt settlement. Water and electricity delivery, however, are not specified as a cause. Outapi residents thus seem to be more actively involved with the council itself, while they also seem to be more critical of both local councillors and the town council staff. Despite the critical views, almost half the respondents in Outapi said they felt that the council was taking their views into account. In Ondangwa, only 27% of the respondents believed this possible.

The support the town council apparently enjoys in Outapi is not reflected in the support for local councillors, however. Only half of those who participate in the town council meetings in the formal settlements also go to meetings with local councillors, while only a third did so in the informal settlements. This is, however, still more than those who attend settlement committee meetings, which are important for the informal settlement dwellers in Ondangwa. Regional councillors, who are important for informal settlement dwellers in Ondangwa, seem to be less important for their counterparts in Outapi.

6.3 Summary

The study reveals substantial differences between Ondangwa and Outapi with respect to service provision and citizens' attitudes and coping strategies. In particular, the differences between formal and informal settlement dwellers are significant. Gaps in service delivery between formal and informal settlements are especially wide in Ondangwa, where people living in the informal settlements are clearly disadvantaged. Electricity supply is perhaps the most glaring gap identified. Such gaps also exist in Outapi, but they are less pronounced. Actually, in Outapi residents in both formal and informal settlements struggle not so much with service coverage, but with service quality. This particularly refers to disruptions in water supply, which hit people across settlements and cause similar problems.

Lack of toilets in the informal settlements, is a cross-cutting problem in both councils. Many people do not have access to proper sanitation. In Ondangwa and Outapi stagnant water sources (oshana) are used both as toilets and as sources of water, perhaps even for drinking. This represents a serious health hazard. Moreover, the fact that toilet access has to be negotiated by asking the use or waiting until nightfall creates an even deeper feeling of being poor outsiders. The sewage lines installed in Ondangwa's informal settlements did not improve the sanitation problems of its residents, however. Instead the sewage added to poor peoples' payment burden.

Residents of Ondangwa's informal settlements, generally appear to be poorer and lead a more precarious existence compared to the situation in the informal settlements of Outapi. Furthermore, informal settlement dwellers in Ondangwa perceive both the town council and local councillors as more hostile and untrustworthy compared to the situation observed in Outapi, where the informal settlement appears to be a place of business and temporary residence. For instance, remittances to and investments in keeping relations with rural areas seem to be of minor importance for residents in Unhimbu informal settlement. In Ondangwa, however, investing in rural relations is an essential part of many residents' survival strategies; to allow children to stay there, to maintain fields and receive produce, and to ensure one has a place to return to in case of adversity. Losing rural connections is often a condemnation to urban poverty, marked by alcoholism and a lack of energy to move forward.

Neighbours and the community also play an important role in the survival strategies of the poor. In Ondangwa this is apparent by the importance informal residents attach to the community based settlement committees, with functions that encompass traditional authority roles and mediation with the council. Again residents in informal Outapi, who are relatively more prosperous and who have a closer relationship to the council, feel less need for the mediation of settlement committees. In fact, citizens' higher trust in the council is reflected in a more open, interactive and critical relationship with the town council in Outapi, and also by a stronger adherence to the traditional authority. By contrast, informal settlement dwellers in Ondangwa say they feel discriminated against by the council, particularly because they feel they have to pay for services they do not really receive.

In both councils a mismatch between dissatisfaction with service delivery and citizens' willingness to pay for the services has been observed. People give highest priority to improved water and electricity supply. These services also have top priority in peoples' monthly expenditure plans. With respect to other services, such as street lightning, market place facilities, storm water drainage etc, people may complain about quality and limited availability, but are not willing to contribute financially to their improvement. This is due to the fact that these services do not immediately impinge on ones' survival. Due to low ability to pay hard priorities must be made. Particularly in the informal settlements many residents are too poor to divert money for the services which are not essential for survival, including toilets, for which there is much need, but little willingness to pay for. One can manage without a proper toilet, but one cannot survive without clean drinking water. Thus, desire, expectation and need are not sufficient criteria to establish viable service delivery.

7 Lessons and policy recommendations

The ultimate aim of the decentralisation policy in Namibia is to reduce poverty by means of service delivery improvements. Short term improvement in service delivery can be measured by the degree of universal *access*, with accessibility also determined by affordability. Long term improvement of service delivery is measured by the *quality* of services – their effects on economic and social life, their perceived *use value (benefit)* for citizens, including those classified as poor. The point of departure for pro-poor service delivery and poverty reduction should therefore be based on a participatory and democratic understanding of development.

Based on the findings presented in the previous chapters, this final chapter provides a set of policy recommendations for improving the delivery of basic services to people living in poor urban settings in Namibia. Though interlinked, the recommendations are organised in accordance with challenges related to (1) local governance and citizens' participation; (2) finances and financial management; and (3) sustainable service delivery and coping strategies for poor people (see Figure 1.1).

7.1 Local governance and citizen participation

Planning capacity and human resources

Limited planning capacity, combined with lack of relevant data and statistics represent major constraints for the implementation of the council plans in both Ondangwa and Outapi. In general, data on availability, coverage and affordability of services is lacking. Moreover, no poverty or socio-economic profiles are yet available in the two councils. Knowledge about the needs for infrastructure investments, access to electricity, sanitation, water etc. is also limited. Consequently, a key challenge that has been identified is the lack of local authority preparedness for planning and robust decision making. Although some direct consultations with residents in poor communities on plans and priorities take place in Outapi, planning in both case councils is often based on guesswork.

- *A key priority in the short run for the town councils should be to develop poverty profiles reflecting availability and affordability of key services. This will require co-ordination and support from the central government.*

Lack of qualified personnel to take charge of the operation and maintenance of infrastructure and financial management and accounting is a common problem for both councils, although Outapi seems to be a slightly better off in this respect than Ondangwa. The finance departments of both councils in particular lack skilled staff. In addition, there is also shortage of technical staff, such as planners, engineers, plumbers, mechanics, etc. Consequently, town planning and land surveying are to a large extent outsourced to private consultants. This practice makes town planning and the development of formalised residential and business areas expensive and often long drawn out.

- *Considering the inadequate financial resources at the disposal by the towns and the short supply of qualified engineers and accountants willing to work there, adjoining towns should consider to jointly hire a small number of such personnel and share their services. There is a good case for provision of joint financial accounting, for instance, since the towns are of modest size.*

Demarcation of functions between officials, councillors and traditional authorities

Measures are required to improve the co-operation between local government officials, councillors and community leaders in setting common goals, and to clarifying their respective roles. In Ondangwa, for instance, the management skills of the Council Management Team (CMT) need to be up-graded. Moreover, communication and dialogue between members of the CMT and between the CMT and elected councillors need improving.

- *Good internal communication within the CMT is essential for the performance of the council. Co-ordination between the planning officers and the community development officers are important to avoid duplication and misunderstandings in their separate dealings with the communities.*

At present, the demarcation of powers, functions and duties between elected councillors and administrative staff are unclear, even though guidelines are in place which explicitly outline the roles and functions of council management team and elected councillors, respectively.

- *The MRLGH in collaboration with ALAN should organise workshops in the councils that address and clarify the respective roles of council staff and councillors. Newly elected councillors, in particular, should be provided with such short term courses.*

Currently the functions of the regional councils are not very clear. Moreover, the financial resources available to regional councils are inadequate for them to do anything substantial. If the regional councils are meant to serve as a co-ordinating agency for the central ministries, this function should be spelled out.

- *The regional councils should be provided with adequate resources from the central level to be able to perform their responsibilities.*

The traditional authorities may have an important role to play in conflict resolution in the town council areas, where people still come and consult them. Currently, the traditional authority assists people with problems that concern traditional matters and also hands out emergency food to families who are starving.

- *To improve and strengthen the trust relations between the council and the residents, the councils should consider to engaging a member of the traditional authority in order to interpret customary law and the attitudes of the people. Meetings of a regular, institutionalised nature between the council and the traditional authority would also help.*

Citizen participation

Popular mobilisation is a key factor for making local governments more responsive and accountable. Participation, it is assumed, will lead to more organisational commitment and ultimately greater control by citizens. Citizens' involvement in identifying problems and setting priorities may motivate a greater sense of community involvement and thereby also to enhance trust relations between citizens and the council. Community initiatives should be encouraged for gradual improvement of the living conditions in poor urban areas. Hence, while the community based settlement committees are important for informal residents in Ondangwa, with functions that encompass traditional authority roles and mediation with the council, residents in informal Outapi, who are relatively more prosperous and who have a closer relationship to the council compared to Ondangwa, feel less need for the mediation of settlement committees.

- *Effective mechanisms for citizen involvement in planning and priority setting with respect to service delivery may vary between councils depending on local circumstances. In some town councils settlement committees may provide a useful entry point for stronger involvement of residents in the informal settlements. In smaller councils citizen involvement with the councils may be more direct, without establishing intermediate structures such as settlement committees.*
- *Because of the invaluable work settlement committee's perform, councils should develop a structure which rewards committee members with a small honorarium or offers reimbursement of expenses.*

7.2 Finances and financial management

Financial performance

Of the systemic reforms, fiscal decentralisation has a high priority, affecting among others the town councils' autonomy. Key elements in the decentralisation policy in Namibia are to transfer duties and responsibilities from the central government to local authorities. However, increased responsibilities have not been followed by an increase of financial resources to the local authorities. It is crucial for the sustainable implementation of the decentralisation reform that the financial aspects are well understood and taken care of. At present, there is no systematic monitoring of the financial performance of local authorities in Namibia. Although the town councils submit their budget to the MRLGH and their financial statements to the Auditor General, no government body maintains a database on local finances and expenditure allocations. To some extent this is due to lack of standardised accounting practices and computerisation.

- *There is an urgent need to establish and maintain a database on local government finances and expenditures. The potential benefit of establishing and maintaining such a database may be substantial.*

Transfers from the central government

Ondangwa and Outapi town councils currently appear not to have the financial capacity to fund new developments and improvements in services in the informal areas. Moreover, the pressure to maintain and upgrade decaying infrastructure in the formal settlements and steady rural-urban migration further restrict the financial resources available for new developments in the informal areas. Only a few urban governments, including Windhoek, Swakopmund and Walvis Bay, are currently able to finance a substantial share of their total expenditures by their own sources. Hence, local own revenues should be considered a necessary, but not a sufficient condition for fiscal decentralisation.

- *Transfer systems based upon grants from the central level and revenue sharing between the central and sub-national levels of government should be considered essential components of the fiscal decentralisation programme in Namibia.*
- *Central government support must take into account that different councils have different needs and priorities.*

Own revenues

Although neither Ondangwa nor Outapi are financially viable, there is a potential in both councils to improve collection efficiency, for instance by outsourcing revenue collection. However, the mixed

experiences from Outapi with privatised collection of site rates in 2003 show that outsourcing requires proper planning, including training of the collectors.

- *Fundamental issues to be addressed in the context of local government fiscal reforms are to redesign the current revenue structure and to strengthen local financial management.*
- *Measures are required to improve the accountability of revenue collectors and elected councillors. This cannot be achieved without substantial and consistent political support from the central government.*

The establishment of the electricity supplier NORED in 2002 seems to have benefited neither Ondangwa nor Outapi. Both councils complain of the lack of transparency in NORED's information to the councils. In addition, the councils are still responsible for the development of new electricity infrastructure. When new areas are developed and settlements are formalised, the councils will have to take the capital costs. Furthermore, no maintenance agreement between the local authorities and NORED is in place.

- *There is a need to renegotiate the councils' agreement with NORED.*

Addressing non-payment

Enhanced citizens' compliance requires stronger links between payment of charges and service provision (see section 7.3). To improve service delivery it is also of crucial importance to address the broader problem of free-riding. Many people seem to be in a position to pay, but opt for non-compliance.

The problem of non-payment should therefore be attacked on several fronts, including service provision, better administration and payment schemes, and community involvement. To achieve this, in depth knowledge and data are required on payment levels for each ward, the number and type of complaints received, living conditions for the poorest segments of the population, including the elderly and unemployed, etc. This underlines the importance of developing socio-economic profiles of the residential areas in the two councils, and to developing databases on local government finances and expenditures.

- *Measures to improve the efficiency and effectiveness of revenue administration are crucial to enhancing citizen compliance. Relevant instruments include improvements to the billing and accounting systems, establishing more accessible and efficient payment facilities, and strengthening the capacity to follow up cases of non-payment through fair and reasonable enforcement.*

Information on local government budgets and accounts

The financial statements and finance reports from the councils are hard to understand by non-experts, including councillors. Citizens' access and right to information on local government budgets and accounts is often seen as a necessary condition for good governance. Without basic information on public revenues and expenditures, people cannot hold their leaders and executive officers accountable. This is most acute when formal accountability institutions, such as audits and legislative reviews, are weak as is common in many town councils in Namibia. Improved information to the public on budgets and accounts may improve opportunities for citizens to exercise their voice and demand accountability from local authorities. It is, however, important to stress that encouraging citizens and the civil society to engage in fiscal and financial monitoring at the local level does not imply that such measures should replace formal auditing and accounting mechanisms.

- *There is a need to improve the financial reporting in order to make this information accessible to council staff, elected councillors and the general public, who at present have limited access to budgets and accounts.*

The relatively successful dissemination of information on HIV/AIDS prevention may provide useful lessons for how to design and distribute information on budgets and accounts to the communities. Written and oral methods of dissemination should be combined, including information submitted at service outlets such as schools and dispensaries. More active use of the settlement committees and elected councillors to communicate such information to citizens may also pay high dividends.

7.3 Service delivery and coping strategies

The poverty reduction action programme

Poverty and unequal access to services such as water, electricity, and sanitation are major problems in the town councils. Access to housing is also inadequate. This is acknowledged in the government's poverty reduction strategy, which considers three central areas of poverty reduction: (a) a more equitable and efficient delivery of services in the context of Namibia's commitment to regional decentralisation; (b) acceleration of equitable agricultural expansion; and (c) employment creation outside agriculture.

Though the poverty reduction action programme refers to the role of Regional Councils and Development Committees, it makes no explicit reference to local authorities. This impasse may have potentially serious consequences for local government finances. In particular, it is likely that urban migration will increase the financial burden of municipalities and town councils. In the absence of significant central government subsidies, the various local authorities have to carry the lion's share of the costs from inadequate internal resources when developing and upgrading poor informal areas.

- *Local authorities should be given an explicit role in the national poverty reduction programme. Additional funding from the central levels should follow.*

Although plans are in place in many local authorities, the process of developing and/or upgrading informal townships into (semi-)formal areas with demarcated stands, water supply, electricity and small roads, is very slow. This problem is partly due to the financial constraints facing town councils, but also due to the characteristics of the land tenure system (see Gulyani et al, 2002). The following general principles might be applied for improving poor urban areas:

- *All upgrading of informal settlements should be technically and financially appropriate.*
- *Community acceptance and understanding of the development plans should be ensured.*
- *Community initiatives should be encouraged for gradual improvement of own living conditions.*
- *Permanency and forms of ownership of plots and security of tenure should be promoted.*
- *Financial risks for the council and the settlement dwellers should be minimised in the development and upgrading of land.*
- *Costing, pricing and administrative systems for land sales and leases of each development project should be standardised yet be flexible.*
- *All low-income service upgrading and developments should be aimed at financial, social and environmental sustainability.*

Cost recovery and choice of technology

Experiences from a number of African countries, including Zambia (Gulyani & Connors, 2002) and South Africa (Alence, 2002; Fjeldstad, 2004; Smith & Hanson, 2003), show that full cost recovery has proven difficult. The issue of cost recovery is particularly sensitive given a history of subsidisation in urban areas and rate boycotts during the political struggle, and a subsequent unwillingness on the part of the urban poor to pay for basic services where others before them have not. Moreover, the majority of residents that do not currently receive services are unemployed or underemployed. Hence, their ability to pay for services is limited, which implies that it is likely that the council will have problems to recovering the costs if services are extended. Furthermore, due to the existing tariff structure and the relatively small number of formal households it is unlikely that the councils will be in a position to cross-subsidise indigent consumers to a large extent. This implies that:

- *Alternative ways to financing services are required if the service level is to be extended.*
- *The councils need to develop more realistic plans and strategies for how to improve service delivery, which implies a much stronger priority setting than what is reflected in the current plans.*
- *The choice of technology for service delivery must be cost-effective and low-tech reflecting the financial capability of poor people to pay for the fees, and provide them with incentives to maintain the facilities.*
- *The council plans should reflect citizens' priorities with respect to service delivery.*

Currently, in the informal settlements in Ondangwa as well as in other towns in Namibia, communal water taps are just placed in the streets, accessible to everybody, and the responsibility of nobody. Assigning each tap to a few households might limit misuse by outsiders, by allowing the 'owners' to limit access and enhance the sustainability and maintenance of the communal taps.

- *Communal taps should be assigned to specific and a limited number of households, in order to avoid disconnection due to breakage and misuse by outsiders. These households should be responsible for maintenance and protection of their water source in collaboration with the town council.*

As noted above, many households in poor urban areas would prefer private water connections. However, often the largest obstacle for the poorer households is not the tariffs (water charges), but the large initial investment related to the connection fees. In some cases the initial price of a connection may also be the main reason for non-payment later. If the installation of water and meters was subsidised, the entrance costs would be lowered and the newly connected are more likely to manage to pay higher tariffs. Connection fees were also seen as a problem for electricity and, where applicable, for sewage.

- *The town councils should consider the acceptance of labour as partial payment for individual household connections to water supply. This measure is likely to have many other positive spin-off effects in a situation characterised by very high unemployment rates and health problems related to waterborne diseases.*
- *Households should be given the option to pay the initial connection fees to water in instalments.*

Giving poor people access to a source of ready credit for household connections to public services may be a significant stimulus for developing infrastructure in poor communities. Recent

experiences from India show that such measures are increasingly being adopted, on both a community and an individual basis, to develop and improve access to services in poor urban areas (UNDP-World Bank). Coupled with measures aimed at empowering poor people, especially women, to manage their own affairs, this has resulted in greater levels of confidence and the exposure required to voicing their needs when approaching local government officials.

- *The government should consider providing soft loans to the urban poor for household connections to infrastructural services, including water, sewage, sanitation, drainage connections, and electricity. The credit scheme could be established as a specialised government fund for the development and upgrading of infrastructure facilities in poor urban areas, and be provided through already established organisations such as the Namibia Housing Action Group and/or the Shack Dwellers Federation of Namibia.*

'Lifeline' supply of key services to the poor

Both Ondangwa and Outapi are at present depleting their financial reserves to reduce the backlog of developing the formal settlements and to upgrading decaying infrastructure. It is therefore required that the central government earmarks future funding to assist local authorities to improve service infrastructure and service delivery according to realistic strategic plans developed by the town councils. By increasing social rights and protection of the poorest segments of the population, the state can play an important role in improving the equity of the service delivery system, and thereby gaining legitimacy and enhancing social trust among the population. The national government's policy of making service delivery its priority seems to reflect this approach. Successful implementation of this policy, however, requires that local governments are enabled to:

- *make basic council services accessible to all citizens, and*
- *provide free basic services for poor citizens who cannot pay.*

The challenge is foremost to ensure that poor households are the primary beneficiaries of the free services policy and associated resources. In particular, the government should consider providing a minimum free 'lifeline' supply of water to households.⁷⁷ There are of course risks connected with the design and implementation of this 'lifeline' policy. A risk assessment analysis must address and take into consideration:

- *the minimum volume of the free water supply which is required to sustain poor households;*
- *a means-testing system for households to establish whether or not they qualify for the free services; and*
- *the administrative challenges of delivering free services across the country, particularly in poor urban areas.*

To summarise, the challenges to improving service delivery in poor urban areas in Namibia should be attacked on several fronts, including improved technical and financial support from the central government, better and more flexible local government financial administration, and community involvement. To achieve this, in depth knowledge and data are required on living conditions for the poorest segments of the population, the actual supply of basic services in the informal settlements, payment levels for services, the number and type of complaints received on service provision, etc. Moreover, customer care must show that complaining to the council will bring results. Citizens should therefore be encouraged to report faults such as leaking taps or streetlights not functioning.

⁷⁷ Some developing countries have already introduced such a system. For instance, since July 2001, every municipality in South Africa is supposed to provide minimum free 'lifeline' supply to households of 6000 litres of water and 50kWh of electricity per month (Pape 2002:184).

The prompt redress of such complaints may help convince people that the town council means business. Furthermore, citizens' involvement in identifying problems and setting priorities may motivate a greater sense of community involvement. Finally, co-operation between local government officials, councillors and community leaders in setting common goals might be a crucial trust-enhancing device.

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SUMMARY

The urbanisation of poverty is one of the most dramatic developments on the African continent, yielding contrasting images of affluent residential and business districts and utter misery in sprawling shantytowns or slums. Namibia has one of Africa's highest urban growth rates, taking thousands of women, men and children to towns in search of a better life. The large majority of these end up in poverty-stricken informal settlements in urban areas. The current service delivery approach of the government has left out informal settlements and has instead focused on improving and expanding services in formal areas. The inadequacy of this situation has detrimental effects on the poor. This report examines challenges for pro-poor service delivery in two towns in Northern Namibia – Ondangwa and Outapi - as seen from (i) the two local government institutions finding themselves in between the central government and their own poor populations; and (ii) the informal settlement population with hitherto unfulfilled expectations for basic services in the form of housing, water, electricity and sanitation. The study suggests that main obstacles to improved service delivery to people living in the informal settlements are associated with distrustful relations between local government and the communities, weak ability and incoherent efforts by civil society to act as development agents, and inadequate government driven approaches. In particular, the study argues that the local governments' need for revenues to finance service provision is incompatible with the ability to pay for these services for a majority of the population in informal settlements. This implies that new collective approaches to service delivery in informal settlement areas will have to be developed.

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