THE POTENTIAL FOR USING A SOCIAL ENTERPRISE APPROACH TO ACHIEVE IMPACT AND SCALE IN LOW COST HOUSING

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The focus of this undergraduate research tutorial abroad (RTA) was identifying the key barriers to scale and impact in low cost housing using selected cases from Tanzania. Tanzania’s housing deficit is a staggering 3 million units. Among the existing households throughout the mainland, only 15 percent have electricity. Over 80 percent of urban residents live as tenants in unplanned informal settlements. Efforts by different players in both the private and public sector directed at providing adequate housing have had limited success and do not appear to have the potential for impact at scale. The host for the program was the National Housing Building Research Association (NHBRA), a Government Executive Agency, which was launched on 1st September 2001. The NHBRA is under the Ministry of Lands, Housing and Human Settlements Development. NHBRA conducts research in local building materials and the required technology to meet the demands for low-cost housing through collaborating with both the public and private sector organizations. The most successful product is the soil-cement interlocking bricks technology which is 40% cheaper than the conventional building blocks. The interlocking mechanism eliminates the need for mortar between layers (an external sealant is used) and allows for a faster building rate. The use of this technology can reduce the construction costs of a 3-bedroom home from TZS 70 million to TZS 40 million TZS. The construction time is also reduced by 50 percent. NHBRA affiliated sites visited during the RTA include: a community-based organization (CBO) resettlement initiative at Kurusini-Chamanzo, slum upgrading and low income housing projects by the Women’s Advancement Trust (WAT) and a National Housing Cooperation (NHC) project in the proposed Kigamboni Satellite City. The diversity of needs among the different stakeholders revealed the multivalent character of affordable housing. Understanding the social context and the interfaces with the financial market are as important as the developing suitable technologies. Through collaborating with the NHBRA and the home owners in the Kurusini-Chamanzo Resettlement Project have constructed 2-bedroom units costing 4.7 million TZS. The owners provide labor for the construction following training in the compressed block making from NHBRA. The projects use a modular construction approach through which each unit is built incrementally over time as each individual home owner pays off initial startup loans and qualifies for additional funding. WAT has also used the modular/incrmental construction approach to assist members in the Hanna Nassif slum to improve their living conditions. WAT provides Microfinance loans to its members. The largest NHBRA-affiliated project was the NHC Kigamboni one which when completed will contribute an estimated 500 units. Financial constraints emerged as one of the key barriers to scale and impact. Most of these initiatives rely on limited funding from the Tanzanian government. WAT indicated that they were transitioning into a for profit organization in the hope that stronger ties with the private sector will increase the scale and impact of their initiatives.

Esther Obonyo is associate professor in the School of Building Construction. Funding for this program was jointly provided by the Center for African Studies, the UF Center for International Business Education and Research (CIBER) through grants from the US Department of Education and the UF Office of Research.