



Institutional Downward Raiding in Housing

Challenges for State-Subsidised Housing for Low-Income Groups in Developing Countries

The Case Study of Linakotseng, Maseru, Lesotho

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Abstract

Little has been said about downward raiding in housing in the planning literature. Various governments in developing countries have established subsidised housing projects with the hope of providing housing opportunities to low-income



groups. These government institutions offer housing subsidies and serviced sites to improve access to adequate housing for low-income groups. However, low-income areas are often raided by middle-income earners, which makes it difficult for low-income households to access housing that was originally intended for them. State institutions frequently appear ineffective as they fail to address this problem, which results in low-income households struggling to participate in the formal housing market. This paper therefore examines the role of state housing institutions in the perpetuation of downward raiding in housing, focusing on the Linakotseng housing project in Maseru, Lesotho. The methodology employed included a case study research design, key informant interviews, and a review of strategic documents. The study found that the government-led low-income housing project in Linakotseng was raided by middle-income earners, which rendered the houses unaffordable for low-income groups. It was identified that the community was not involved in the planning of this settlement, and market research was not conducted properly. The study recommends the adoption of a methodology in housing projects that encourages community participation and thorough market research, and that authorities must understand local realities.

Keywords: Downward raiding, low-income housing, case study, Linakotseng, Lesotho, community participation, market research.

Introduction

Various government institutions in the developing world have engaged in different housing subsidy projects for low-income groups. However, in some cases, these housing projects are raided by middle- and upper-income groups. Typically, downward raiding occurs as cities rapidly expand and middle- and upper-income groups, unable to afford the costs of housing and land, buy out low-income groups living in informal settlements (Lemanski, 2014 : 2946). Over the years, this has manifested in state-subsidised housing that is generally intended for low-income groups. Focusing on the issue of downward raiding in Linakotseng, we argue that housing

institutions play a role in perpetuating this phenomenon, especially in the cities of the Global South.

This paper provides a historical background of the low-income housing schemes in Maseru and examines how they ended up being raided by middle- and upper-income groups. It concentrates on these cases to provide evidence that the Lesotho Housing and Land Development Corporation (LHLDC) had opportunities to learn from these previous low-income housing schemes. The next section discusses downward raiding and how it manifests. The following section focuses on case experiences in Brazil to further demonstrate that downward raiding not only occurs in informal settlements but also in downtown areas and planned housing projects. Lastly, the paper positions itself within a case study design by discussing the evolution of low-income housing projects in Maseru to solidify the argument that downward raiding in Linakotseng is similar to many of the projects that occurred in Maseru.

Downward Raiding in Housing

Downward raiding in housing manifests as exclusion and displacement. This situation occurs when lower-income areas, such as subsidised housing and informal settlements, are raided by middle-income groups. During this process, middle-income groups may undertake infrastructural upgrades, while low-income groups are excluded. Payne (1996, p. 21) posits that low-income groups find it difficult to access housing in areas that were previously intended for them and argues that this situation is perpetuated by land titling in developed countries. Furthermore, after purchasing housing intended for low-income groups, middle-income buyers may improve these properties and resell them, thereby excluding the low-income beneficiaries who, in most cases, were identified as the original, direct recipients of state-subsidised housing (Lemanski, 2011).

It is important to note that downward raiding is, in some cases, perpetuated by the housing institutions that are responsible for these projects. Housing subsidy schemes are typically located at the urban periphery, which is often attractive

to middle- and high-income earners (Huchzermeyer, 2005, p. 215). Consequently, there are several reasons why low-income earners may choose to sell their houses to middle- and higher-income earners. Among other reasons, recipients of subsidised housing units often sell them to clear their debts (Boaden & Karam, 2000). This phenomenon has also been observed in South Africa, where high- and middle-income earners lure low-income residents from state-subsidised housing, which undermines the initial purpose of the housing project. Interestingly, Lemanski (2014, p. 2946) argues that downward raiding is largely driven by middle-income opportunists rather than the state.

Downward raiding in housing conflicts with government policies, particularly in meeting international human rights standards such as the right to adequate housing. If the housing needs of middle-income groups are not met, the housing projects intended for low-income earners will be down-raided (Karam, 2008). Another argument is that downward raiding in housing will continue due to the improved locations of low-income housing schemes. However, there is concern that in countries such as South Africa, which has a history of apartheid spatial planning, attempts to prevent downward raiding may lead to issues of segregation (Karam, 2008). Most importantly, state housing institutions do not directly contribute to downward raiding; however, they induce it by providing formal land titling, engaging in urban infrastructure upgrades, and offering state-subsidised housing (Croese & Pitcher, 2019).

Brazilian Case Experience

In Rio de Janeiro, the government has ventured into a low-income housing project in Elizete Cardoso, which is located in central Rio de Janeiro. In Elizete Cardoso, the phenomenon of downward raiding in housing occurs secretly. Garmany and Burdick (2021, p. 2804) discovered that, unlike in other cases where downward raiding occurs in the urban periphery and informal areas, this phenomenon takes place in central locations of Rio. The central location of Elizete Cardoso is appealing to all

income groups, particularly due to its proximity to employment opportunities, nightlife, and beaches.

Most importantly, Elizete Cardoso attracts people with money because it is different from the *favelas* and has formal housing as opposed to informal housing. Although this area is identified as being occupied by low-income families and is located along the edges of the *favelas*, it features formal housing, which helps to explain the phenomenon of downward raiding (Garmany & Burdick, 2021, p. 2807).

The main drivers of downward raiding in Elizete Cardoso are its formal housing and urban centrality. Notably, middle-income raiders seem to be attracted to state-subsidised housing in the city centre because they cannot afford housing in traditionally middle-class locations (Garmany & Burdick, 2021, p. 2805). Several reasons have been attributed to the occurrence of downward raiding and, in Elizete Cardoso, the high cost of bills, especially water, appears to be the major factor. The majority of the initial residents in this area left within the first year because they could not afford to pay the monthly bills. They sold their houses and returned to the *favelas*. In what Abreu (1994, p. 41) calls “the dance of the *favelas*”, attempts to address informality by relocating and building new homes often produce more urban informality. This is especially true if poverty and inequality are not addressed. It is therefore important to note that if low-income groups are provided with newly built housing, they incur new expenses. Many of these families end up selling their houses and returning to their previous locations because the cost of living becomes unaffordable for them.

Surprisingly, in Elizete Cardoso, many people expect that the low-income residents would have a negative attitude towards the middle-income raiders. However, there were some indifferent feelings about the prospect of downward raiding, with some low-income residents expressing happiness that poor neighbours had left, as they saw them as a burden (Garmany & Burdick, 2021, p. 2809). They viewed the incoming middle-income neighbours as civilised and saw them as providing financial opportunities, as those who sold their houses made

a significant profit and experienced an upward trajectory from their poor backgrounds. Conversely, others believed that the estate administrators allowed downward raiding to occur because they benefitted financially from the residential fees and thus turned a blind eye (Garmany & Burdick, 2021, p. 2809).

Methodology

This study was qualitative as it adopted a case study research design and utilised key informant interviews and content analysis to situate downward raiding in the context of Linakotseng, Maseru. The case study design provided insight into downward raiding and its manifestations. The secondary data were analysed through content analysis, while thematic analysis was used to analyse the primary data from the Chief Housing Officer.

Evolution of Low-Income Housing Projects in Maseru

Globally, Maseru can be described as one of the smallest cities, both in size and population. This city is home to more than a quarter of the country's population. However, its rapid growth does not match the delivery of housing projects, particularly low-income housing schemes. Despite recent efforts by the LHLDC to engage in low-income housing projects, it must be noted that the first housing construction schemes in Maseru were initiated in the mid-1980s. It is therefore worth discussing these low-income housing projects. Devas (1989, p. 206) provides an account of the first housing schemes in Maseru, as discussed below.

Mohalalitoe

This housing project was established by the International Co-operative Housing Development Association between 1976 and 1978. At its inception, the project saw the creation of the Lesotho Housing and Land Development Company (LEHCo-op), which was tasked with servicing the project. The housing was located closer to town on 300-m plots, with provisions for

water and sewage connections. In the first phase, 270 houses were constructed, along with some community facilities. The three-room houses were built to high standards in Lesotho, which made this project a pioneering approach to housing in the country. However, despite providing high-quality housing for low-income households, challenges arose regarding repayment agreements.

Khubetsoana

This project was established after a hard lesson learned from the previous Mohalalitoe project. Located on the urban periphery of Maseru, the site allowed for reduced costs, which made the houses affordable for low-income households. Funded by both the World Bank and the Canadian International Development Agency, the project ensured that housing costs remained manageable. Plot sizes were reduced to 240m, and pit latrines were constructed instead of bathrooms. These were simple two-room houses, and a total of 865 housing units were built between 1981 and 1983. The construction of the houses was supervised by the LEHCo-op.

With this project, the selection of applicants was based on their level of income. The chosen applicants were those with incomes below M185, which was due to inflation and was later increased to M250. However, it was subsequently discovered that many of the applicants and beneficiaries in this scheme had incomes well above M250. This indicated a phenomenon known as downward raiding, where middle-income households occupied low-income housing units. Additionally, the scheme faced significant issues with non-payment, as many households were in arrears.

The Thamaes

After realising the weaknesses of the two schemes, the World Bank funded a project to upgrade the existing Thamaes. Funds were offered to low-income plot owners to construct pit latrines and houses. Additionally, new serviced plots were constructed on unoccupied land between 1984 and 1988. The main aim of

the project was to regularise land tenure rights by replacing traditional land tenure rights with new ones in the form of transferable leases.

Mabote

Here, a different approach to housing policy was implemented with the aim of guiding land development in the peri-urban areas, but it was not entirely successful. The governments of Lesotho and the United Kingdom funded this project, and a project team was assembled in 1985. A 630-hectare site was surveyed, and a development plan was established. However, it was later discovered that poor and low-income groups were excluded from the scheme. A survey conducted after the first occupation revealed that most of the occupants and plot holders fell above the low-income bracket and were within the middle and upper classes.

Thetsane

The last scheme was the Thetsane housing scheme, which employed an entirely different approach to cater for low-middle-, and upper-income groups. The project provided 1 500 serviced plots in a 150-hectare area, with those with low incomes expected to afford more than half of these units.

The general observation across all five schemes is that they never achieved their intended purpose of providing housing for low-income groups. Devas (1989, p. 212) notes that those whose income was below M100 were unable to meet the repayment conditions. Another reason is that these housing projects were accessed by middle- and upper-income groups. This can be attributed to the fact that these schemes were not inclusive of all income groups, thereby limiting their focus to low-income individuals only.

Perspective on Linakotseng



Figure 1: Location of Low-Income Housing in Linakotseng.
Source: Google Earth (2022)

Linakotseng is a neighbourhood located within the boundaries of the Maseru Municipal Council in south-western Maseru. It consists of two parts that make up an old rural settlement. The settlement is bordered to the north by Ha Tsolo and is also adjacent to the Caledon River. Notably, in 2014, the Ministry of Local Government, Chieftainship and Parliamentary Affairs decided to embark on the construction of state-subsidised low-income housing in Linakotseng to provide affordable housing for all.

At its inception, the project constructed 17 three-room low-income dwellings, each measuring around 42 m. Interestingly, at the time of construction, it was predicted that these homes might not be affordable for many low-income households in Maseru. The photograph below shows a low-

income dwelling in Linakotseng. Although these three-room houses were intended for the low-income group, they ultimately attracted middle-income individuals, as they were too costly for the intended low-income households.



Figure 2: Low-Income House in Linakotseng. Source: United Nations Human Settlements Programme (2015)

However, this low-income housing project appeared to have attracted middle-income groups rather than low-income groups. At first glance, this can be attributed to several factors, one of which is the location of the housing project on the urban periphery, where low-income groups may not be able to afford transport to and from work. In an interview conducted in August 2021 with the Chief Housing Officer at the Ministry of Local Government, she was asked whether her office could carry out any housing development project from planning to implementation. She replied:

“Yes, we do have the capacity to carry out a housing development project from its planning to implementation

because we have a recent success story in Linakotseng where we constructed a low-income housing project.”

Interestingly, the Chief Housing Officer outlined that although the houses were constructed, they later became aware that the intended recipients could not afford them because they were too expensive for low-income groups. Consequently, these houses were purchased by middle- and upper-income groups. This interview identified that there was institutionalised downward raiding, perpetuated by the Directorate for Housing. The Chief Housing Officer was aware of this situation but indicated that her office lacked the funds to carry out various types of projects that would otherwise accommodate all income groups. What this implies is that the ministry and its housing departments may not have learned from previous low-income housing schemes, which failed to fulfil their initial plans due to being taken over by middle- to upper-income groups.

Conclusion

Lemanski (2014, p. 2946) suggests that downward raiding has been present for some time, although few case studies on this phenomenon have been presented. Given this context, we believe it is important to study this process and address the gap in urban studies. We discovered that there is likely more downward raiding occurring than is visible. It is a situation that is further perpetuated by the housing institutions that are responsible for housing development in many countries. We therefore provided a review of how different scholars define this phenomenon and investigated Brazil's case experience of downward raiding. We employed a case study design to understand the extent and historical background of this phenomenon in Maseru and Linakotseng. An interview with the Chief Housing Officer helped us to realise that this phenomenon occurs visibly within housing institutions. Consequently, we conclude that institutions allow downward raiding to occur. In the case of Linakotseng, there have been precedents that could provide lessons to avoid downward raiding. This paper recommends that housing institutions conduct market research and engage in public participation before embarking on any

housing projects. Lastly, although low-income households need housing, prioritising them over other groups, such as middle- and upper-income groups, will encourage the latter groups to raid housing designated for low-income residents. This paper therefore recommends that housing institutions pursue mixed-income housing projects.

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