
Urban poverty is usually defined as the lack of income required meeting defined needs such as adequate diet, health care, and education. In spatial terms, urban poverty can be as inadequate access to infrastructure and services.

The first definition is static because poverty is measured at a fixed time. In real life, however, households may move in and out of poverty by mobilizing and managing the human, physical, financial, natural and social assets at their command. In order to understand poverty in the developing world the assets which households command their use should be identified. The concept of vulnerability, which is more dynamic than poverty, is capable of capturing the change processes whereby households move in and out of poverty. And vulnerability is closely linked to the concept of livelihoods that are defined as the means of gaining a living utilizing the different assets as resources.

Within the framework of livelihoods, the study explores how and why owner households transform their houses and the consequences on the settlement structure in the particular context of informal settlements, where the majority of low-income earners live and where statutory development control is lacking. The study was conducted in of Keko Mwanga and Hanna Nassif in the city of Dar es Salaam. In 2002, the settlements had a population of 17,000 and 20,000 respectively. They are among the oldest informal settlements located just two to four kilometres from the city centre.

To learn more on the processes of housing transformation, the case study approach was adopted. In-depth interviews, observations, direct measurements of the houses and plots and feedback to and from the community were carried out.

The study has shown that owner households transform their houses in order to improve their livelihoods including the provision of space for the second generation members to “nest”. Housing transformation is also a key strategy for shelter delivery. The housing transformation process is incremental and strongly linked to the assets at the disposition of the households at any particular time. However, in the late stages of the transformation process, housing becomes self-financing.

The main negative effects of housing transformation are excessive densification together with overcrowding and public health problems, occupational health hazards and settlement degradation through road blockades.

Finally, recommendations based on a two-pronged approach to solve the problems are made. It requires that the upgrading of informal settlements should go hand in hand with the provision of new housing sites obtained through approaches such as land pooling and adjustment. The approach in settlement upgrading should be linked to the formation of social capital, particularly CBOs. It should also put in place mechanisms that improve the asset base of the owner households. In the new sites, plot designs should support household assets.

To achieve cost recovery, infrastructure provided in the informal settlements and new sites should be appropriate meaning that designs should take into consideration the households’ levels of affordability. In practice, this calls for a reduction in design standards.

To conclude, when housing transformations are not guided, their negative effects undermine the livelihoods of the owner households.