

## *Local Authorities and Housing in Ceylon*

ONE of the subjects, in which local authorities will have to take a new interest and play a new part after the war, will be housing. Housing is a basic socio-economic service like nutrition and education and it is sure to figure largely in our post-war development plans, if at all we have any such plans. The responsibility for drawing up these plans may rest ultimately with the Central Government, but it is only right that so far as housing is concerned, local authorities should be actively consulted, if only because of the fact that it is through them that the adopted policy will have to be largely carried out.

There are many reasons why housing should claim a high priority in our post-war plans. First and foremost, of course, is the fact that there is a crying need in the country for more and better houses, particularly for people in the lower income brackets. Even judging by numbers, as I shall try to show later, we are far behind our actual requirements. But mere number in this case is a treacherous guide. A good many of the so-called houses can hardly be given the dignified name of a house. They are only apologies for houses, small, flimsy, cheerless, delapidated hovels, hardly good enough for animals, not to speak of men. They are a familiar sight both in our towns and our villages. A good many of these are one-roomed, that architectural wonder where the same room is used as a bed-room, store, workshop, sitting-room, kitchen and dining-room. In our Village Surveys we have found a quarter to a half of all the houses to be of this type. They are probably as abundant in slum and tenement areas in towns. By looking merely at number without looking at quality, we shall only get a false idea of our housing position. The houses that are not fit for human habitation should be written off. Only then will our housing poverty be revealed in all its nakedness.

---

1. See Reports on Economic Surveys, Published by the Ceylon Government.

## LOCAL AUTHORITIES AND HOUSING IN CEYLON

This poverty is of course not a new thing. A poor country can never be rich in houses. But whereas in normal times before the war the growth of housing at least limped behind the growth of needs, during the five years of the war there has been a virtual suspension of all building work on dwelling houses, whether in the form of repairs or new constructions. The war has swallowed up or interrupted the flow of materials. The gap between supply and demand has, therefore, widened and a position already bad has become worse. The buildings put up for defence purposes are generally not meant to last. Nor are they, except in a few cases, suitable for conversion into dwellings. They will thus do little to bridge the gap. Housing poverty at the end of the war is thus likely to reach a new low level, both in quantity and in quality.

Yet, as we know, good housing is essential for good living. No country can claim to have reached a high standard of living with bad houses. Good housing is not merely an index of prosperity, but also largely a foundation for prosperity. Even if it does not bring any direct money returns, it creates wealth indirectly by ensuring the health and efficiency of the people. Heroes are not usually born in hovels. If, therefore, we plan for anything at all, we should plan for improving and extending housing.

Apart from the fact that it will meet an urgent want, a housing scheme has two other aspects for which it should be specially welcome. First, it is, of all possible schemes, one that can be largely carried out with local materials. The three main requisites are bricks and tiles, cement and timber. We have ample and easily expandable supplies of bricks and tiles. Our local timber resources are by no means negligible, and perhaps can meet a good part of the demand, unless of course foreign timber is available at very tempting prices. Cement is the only important material for which we shall have to depend entirely on imports, at least in the initial stages. But here also, a definite long range building plan may help to create a local source of supply. Thus it is an industry in which we can harness largely our own resources. This is no small advantage. It will keep the money within the country, to be used again as spending and consequently employing power.

The second aspect is that the building industry is a good stabiliser of employment and, through employment, of general economic conditions in the country. This is so because, (a) the industry offers one of the largest avenues of employment for labour, (b) most of the labour that it requires is of the unskilled type which means it can rapidly absorb large numbers of labourers thrown out of other industries, (c) the industry is highly flexible, that is to say, the rate of building can be expanded or contracted more easily and quickly than can the rate of production of many other goods, and (d) investment in housing can be widely diffused geographically, which means that it is an excellent instrument for relieving depressed economic conditions

## UNIVERSITY OF CEYLON REVIEW

in particular areas. Thus the industry helps in reducing violent swings in employment and economic conditions in the country.<sup>2</sup> It will, therefore, be particularly valuable during the transition from war to peace, when investment (unless specially encouraged) will tend to fall below the level of savings, causing unemployment. A housing scheme will be largely an insurance against unemployment. It will also be an insurance against too rapid deflation because it will transform a fair amount of the war savings into purchasing power in the pockets of the people of the country who will probably spend it within the country.

The case for a bold post-war building programme is thus from every point of view quite strong.

Economically, the framing of this programme will involve three main questions.

1. We must fix our targets. That is to say, decide how many houses and of what types we should build, rebuild or repair in a given time. This will require a survey of existing housing and an assessment of our total needs. It is the deficiency that we must plan to make good, within of course the limitations of our national resources.
2. We must decide what agency or agencies should erect the houses, whether it should be the State, local authorities, Co-operative Societies or private enterprise.
3. We must decide how the Scheme should be financed, that is to say, from what sources and in what manner the expenses of the Scheme could best be met.

The last two questions are related to some extent. What agencies will build, will depend partly on what finance they can command. If the State provides the money, it may like to do the work itself. Even if it delegates it to, say, local authorities, it will dictate principles and methods, which means that the senior partners in the business will be the State and not the local authorities.

**The question of needs.**—What our total housing requirements are, in number, quality and types of houses, can only be discovered by a special inquiry. Here as elsewhere, planning will require full statistics. But the mere *number* required, apart from the question of quality and type, can be roughly estimated from population figures.

It is safe to assume that every married couple and every widowed and divorced person will like to have a *separate dwelling place*, whether it is

---

2. See article on Housing in the February *Economist* 19, 1944.

## LOCAL AUTHORITIES AND HOUSING IN CEYLON

described as a 'house,' 'apartment' or 'flat.' In addition to these, a certain percentage of single persons also will want such separate accommodation. These are the units, we may call them "families" if we like, which require separate houses. The total number of houses required at any time will be, therefore, equal to the total number of these units. This is the *optimum*. The margin, by which the *actual* number of houses in an area falls short of this *optimum*, shows quantitatively its housing shortage. The target of the building programme should be obviously to cover this margin in a given time.

A few specimen calculations which I have made for Ceylon on this method, and it is a method which has been used for estimating housing needs elsewhere, reveal strikingly the weakness of our housing position and show how far behind we are yet from the ideal of full housing. The figures are from census returns, though Column 3, namely the "number of houses required", had to be worked out in a rather round-about way. The census of 1931 gives no information at all on sex, age and conjugal conditions of the population. Even the previous censuses do not give it in a complete or ready form suitable for our use for this purpose. There are no returns on "families" or "married couples" as such. I have, therefore, taken a 'married woman' as equivalent to a 'married couple.' It carries of course no reflection on the male or the female of the married species, but is only a statistical device. Everybody knows that the consequences of asking two married women to live in the same house would not be very happy. To the number of married women I have added all the widowed and divorced and 5% of the singles, of both sexes, the calculations being confined only to the section of the people above 15 years of age.<sup>4</sup>

3. See *Local Authorities and Housing Subsidies* by M. E. A. Bowley, Manchester School of Economic and Social Studies, October, 1941.

4. The precise values have been as follows:-

60% of the entire population has been, on the basis of returns for 1911 and 1921, taken as above 15.

53% of the population has been taken as males and 47% as females. These have practically been the uniform percentages in all censuses from 1871 to 1921.

The conjugal condition of people above 15 has been taken as follows: on the basis of the returns for 1911 and 1921.

Females - married - 59.2 %

-widowed

& divorced - 17.8 %

- singles - 23 %

Males - married - 52.5 %

widowed &

- divorced - 5.6 %

- singles - 41.9 %

Therefore, of every 1000 people above 15.

Females married	..	..	1000	×	0.47	×	0.592
„ widowed and divorced	..	..	1000	×	0.47	×	0.178
„ single	..	..	1000	×	0.47	×	0.230
Males married	..	..	1000	×	0.53	×	0.525
„ widowed and divorced	..	..	1000	×	0.53	×	0.056
„ single	..	..	1000	×	0.53	×	0.419

# UNIVERSITY OF CEYLON REVIEW

## Housing position.

1931

Area	Population	Total number of houses required. (population units requir- ing houses)	Number of Existing buildings	Short- age of houses	Percentage of shortage to existing number
Kalutara District ..	363,785	89,074	67,706	21,368	32
Kalutara Urban Council ..	12,946	3,170	2,626	544	21
Negombo Urban Council ..	25,291	6,194	6,005	189	3
Matara District ..	283,292	69,365	59,199	10,166	17
Matara Urban Council ..	18,893	4,626	3,614	992	27
Chilaw District ..	114,640	28,070	26,141	1,929	7
Chilaw Urban Council ..	7,203	1,764	1,670	94	6
Kotte Urban Council (1941)	29,400	7,199	6,000	1, 99	20
Dehiwela-Mount Lavinia Urban Council (1941) ..	46,900	11,484	8,000	3,484	44
All Ceylon .. ..	5,312,54	1,300,793	1,021,359	279,434	27

Actually, the shortage is greater than what our figures suggest. A good proportion of the existing houses have really no right to exist. They should be replaced or repaired. The true need is not only for more houses but also better housing standards. Another point is that the number of separate dwelling places, that is to say 'houses' for our purpose, is probably somewhat less than the number of "buildings." The census report of 1921 itself emphasises this point. Finally, we have it, again on the authority of the census report for 1921, that the number of people returned as married has probably been understated because of the fact that all marriages in Ceylon are not registered. It is also well to remember that, while population has steadily increased since 1931, house construction has been at a standstill during the war.

However, the figures define our needs broadly. What targets we should actually frame, will depend on the one hand on these needs and on the other on what proportion of our national resources, that is to say, our incomes, savings, or credits, we can profitably divert to this purpose. Housing has, of course, no exclusive claim to national resources. We want schools, hospitals, roads, farms, factories and many other things. In a planned economy, the allocation of resources must obviously be the function and responsibility of the Central Government which will decide whether an extra house is socially more desirable than an extra unit of something else. Our national poverty will certainly tone down our targets based upon absolute needs, but in a case like housing, where the need is urgent and gaping, the allocation should, rightly, be generous. It would be folly to lower targets too much.

## LOCAL AUTHORITIES AND HOUSING IN CEYLON

Incidentally, planning is indispensable for a service like housing. In an unplanned economy, by hypothesis there are no plans or targets. In that system, individuals are supposed to be automatically building whatever number of houses they require. But we know from experience that our existing unplanned economic order does not work so beautifully. The right things are *not* produced in right quantities. Luxuries are produced for the rich while the necessities of the poor wait. Regarding house-building particularly, it has failed rather badly because, although everyone needs a house, few possess the income or the economic wisdom to build one. To leave things to unplanned and unrestricted forces of supply and demand would be to perpetuate poor housing.

I do not know what plans, if any, the Central Government has made, but the targets fixed by some of the Urban Councils are in this context certainly very timid. They look like tinkering with the problem. The Kotte Urban Council's post-war plan is, I understand, to build 160 working class houses, all apparently *replacements*, and not *additions*. The Dehiwela-Mt. Lavinia Urban Council's plan is for 200 houses, again, perhaps, only replacements. Even these plans will be spread over a number of years. At this rate we cannot even perhaps keep pace with the *growth* of needs during the planning period, far less cover the starting deficiencies.

**The question of Agencies.**—What particular agency should take charge of the task depends on how effectively it can plan, finance and build. It matters little who does the work, as long as it is well done. The possible agencies are : The State, that is to say, the Central Government, local authorities, Co-operative Societies and private builders, whether individuals or companies. Each has its strength and weakness and each has produced good results in favourable contexts.

We shall have to decide in the light of our own conditions which suits us most.

Private enterprise, if competitive, is very efficient. But if competition is limited, it may charge exploitation prices for its services. Its most serious drawback, however, is that it will only build houses which pay. It works for its own profit and not the community's welfare. It has therefore served fairly well the upper and the middle classes, but has ignored the needs of the poor and the working classes. Yet, the greatest need for houses comes from this section of the people.

Local authorities have been active builders in all countries. Their merits are that they are not out to make profits ; they know needs and conditions in the locality and can therefore plan well, and they administer other local services like sanitation, roads, etc., to which housing ought to be related. But their great limitation is finance. They can only raise a limited amount in

## UNIVERSITY OF CEYLON REVIEW

rates and loans. Since they mainly build for the poorer classes they can never expect to recover the full cost in rents or sale prices. The investment is "unproductive" in the business sense and consequently it is very difficult to raise any funds. They must therefore be liberally assisted by the State. In practice also the part which they have played in housing has largely been conditioned by the assistance which they have been able to get from the Central Government. For example in England between 1919 and 1923 out of a total of 276,000 houses built, local authorities built 171.1 thousand or 62%, subsidised private enterprise built 46.1 thousand or 17%, and unsubsidised enterprise built 58.8 thousand or 21%. But this was precisely the period when, under the famous Addison Scheme, almost unlimited central assistance was placed at the disposal of the local bodies. Later, as the assistance fell, the *relative* share of the local authorities also fell.<sup>5</sup>

The State's role in housing has been mainly to plan, subsidise and supervise. Except in Russia, it has not directly *built* much. It has obvious advantages for the functions which it has usually discharged. It is above local short-sightedness. It has a totality of view of the needs and resources of the country. Therefore, it can plan well and uniformly. Its resources are ample and therefore it can assist all other agencies. It can employ competent staff to supervise the work and so maintain standards. But, for sheer hugeness and complexity of the task, it cannot undertake possibly to build all the houses required by the country. Therefore, it generally delegates actual building to other agencies, whether they are local bodies, building co-operatives or private builders.

Co-operative Societies of would-be tenants or owners have done a lot of building in certain countries. Indeed in England they have been in recent years the most important factor in expanding home-ownership among the lower middle classes, such as clerks, teachers, mechanics, etc. Incidentally, home-ownership is not an unmixed blessing. It reduces mobility of labour from one place to another. The co-operatives raise their capital by shares and savings from members. They seek limited or no profits and therefore can supply housing at low cost. But their finances also are very limited. And they cannot do much without generous assistance from local or central authorities.

In Ceylon, it seems to me that, while each of these types of agencies can and should play a part, the main burden of the work will have to be shared by the Central and local authorities. Building co-operatives will take time to grow on the soil of Ceylon even if they at all grow. Private enterprise may continue to serve the upper and middle classes, but the large and urgent task of building for the poor must be a joint partnership between the State

---

5. G. D. & M. I. Cole—*Condition of Britain*.

## LOCAL AUTHORITIES AND HOUSING IN CEYLON

and local bodies, the State making the general plans, providing the bulk of the finance and supervising progress, the local authorities providing a part of the finance and constructing the houses. Incidentally, the State can perhaps with advantage create a special administrative body, a Housing Bureau or Commission, to exercise its functions in this respect.

**The question of Finance.**—There are three principal questions regarding finance namely, (1) *who* should find the money, (2) *how* the money should be raised, and (3) how *costs* can be kept low.

The question *who* should meet the expenses of the programme depends, as already indicated, on the types of houses wanted. For working class houses, which is our greatest need, generous State assistance is indispensable. It is a *social* expenditure and must be incurred without any expectation of adequate money returns.<sup>6</sup> In Ceylon, unfortunately, this assistance has so far been quite niggardly. During the last seven years (1938-44) only Rs. 600,000 or roughly Rs. 85,700 per year has been given in grants to local authorities, that is to say to the Urban Councils, for housing. The Municipalities have received no grants at all. The grants are given on condition that the local authority raises itself an equivalent sum. The local authorities have been generally unwilling or unable to raise their rates and, consequently, they have raised their share by borrowing from the Local Loans and Development Fund. They cannot by law borrow more than ten times their revenue. There have been thus two limitations on their housing activities, (1) the central grant has been small and (2) their own power of raising money on which the grant depends has been limited. The rate of interest on loans given by the Local Loans and Development Fund has been 4% which for *social* expenditure of this type is obviously too high.

Upper and middle class housing can still be largely financed by private enterprise. But here also there is room for improvement of financial facilities. At present finances are mainly provided by banks, insurance companies, private firms and lenders. This finance is neither ample nor sufficiently cheap.

The question *how* funds should be raised depends largely on what agency we are considering. Private enterprise can only use its own income or savings or borrow the savings of others. Public authorities have power to tax. In England housing grants have been given by the State mainly out of current revenue, that is to say out of taxes. But houses being durable goods and the benefits reaching out to future generations, there can be no objection on principle to financing them by loans. If the plan is very bold, obviously, a large portion of the funds must be raised by loans rather than by taxes or rates.

---

6. See Hicks—*Finance of British Government* p. 37.



## UNIVERSITY OF CEYLON REVIEW

Costs affect finance and therefore to keep costs low should be an important financial consideration.

One method by which costs can be kept low is to simplify and standardise the planned houses, using as far as possible the cheapest materials. This is an architect's problem and I can say little on it. In Ceylon the desired type seems to be a bungalow and garden. Flats and apartments are not much fancied. But a mansion with a large number of apartments saves building costs considerably. And it *can* be very well planned and equipped. Indeed, in Europe mass tenements are the prevailing form of housing for the working classes. In India, also, in industrial centres they are now becoming quite common. Russia has gone one step further with such multi-family structures. It has introduced what is called the "House of Collective Living." It houses 400 to 800 persons. While each occupant is given some exclusive space, a good deal is allotted to communal activities such as dining-rooms, club-rooms, kindergardens, lecture-rooms, etc.<sup>7</sup> Such things are perhaps too radical for us to contemplate in Ceylon, but I see no reason why opinion about living in flats should not change.

Control of land values (at least of unearned increments), control of the prices of building materials and facilities for easy land acquisition also will help to keep down costs. The terms on which loans can be raised for housing purposes are also important and must be kept as low as possible.

These are the various subjects which must be considered in framing a *comprehensive housing policy* for the country. It is obviously not an easy task, but it is important and urgent. It should specially be of interest to local authorities because they must help largely in framing and implementing it.

B. B. DAS GUPTA.

---

7. See Article on Housing, *Encyclopaedia of Social Sciences*.

---