



URBAN HOUSING POLICY AND ITS IMPLICATIONS ON THE LOW-INCOME EARNERS OF A HARARE MUNICIPALITY, ZIMBABWE

Wisdom Moyo

Zimbabwe Open University, Bulawayo, Zimbabwe

ABSTRACT

Domestic shelter is an important basic need in all societies. In Zimbabwe, the provision of housing has been one of the most critical issues of government social policy especially since after independence in 1980. The government is confronted with keeping pace with the demands for low income housing. To deal with these problems government introduced the Low income urban housing policy. The research highlights the fragility of the poor's claim to the right of permanent residency emphasizing inadequate state funding and poverty. This study examines this policy and its implications on the low income earners of Zimbabwe. To complement document analysis, questionnaires will be distributed to the low-income earners and the management of the municipality. By employing combination of these two methodological approaches the aim is to obtain a holistic picture of the formulation of the policy and the envisaged implementation procedure. Results of this study would help in shaping the direction of the ongoing debate on housing in Zimbabwe. Recommendation is that policymakers need to combine information gathered through land price surveys and household surveys to provide an up to date, accurate and detailed profile of land and housing market.

© 2014 AESS Publications. All Rights Reserved.

Keywords: Policy, Low-income earner, Housing, Urban, Poverty, Development.

1. INTRODUCTION

Domestic shelter is an important basic need in all societies. According to United Nations Conference on Human Settlements (UNCHS, 2000) it is an essential component of the foundation needed by every individual to participate fully in society. In Zimbabwe, the provision of housing has been one of the most critical issues of government social policy especially since after independence in 1980. In most urban areas in Zimbabwe there has been a critical shortage of housing and the backlog continues to increase with the most affected being the Low-income

earners. This has given rise to illegal makeshift houses in urban areas. The demand for housing is but one aspect of the problem. A related and equally problematic issue is affordability.

The issue of affordable housing has been a serious problem for both low income earners and the local government authorities. The latter is confronted with keeping pace with the demands for low-income housing. Kamete (2006) considers four main components of the affordability as being income distribution, cost of construction, rent propensities and financing terms. Currently the average price of an urban house is beyond the reach of the low-income earners. As of April 2013 the average price of a house in the high-density suburbs costs US\$ 15000 (The Financial Gazette, 2013). According to Lohse (2002) effective shelter policies have to address the financing needs and only then will a shelter delivery system allow everyone access to shelter, whether through purchase, renting, self-help construction, or through access to subsidies. What this would seem to suggest is that housing policies have a significant bearing in the living conditions of the low-income earners in urban areas especially because such policies have an impact in terms of the type of houses, that is, its quality and the quantity. This study examines the impact of such policies on urban low income earners. Specifically it focuses on the urban low income earners of Harare.

2. BACKGROUND OF THE STUDY

At independence in 1980, the Zimbabwean government inherited, though with minor adjustments to suit new policy orientations, an urban planning system which was drawn along racial lines (Chigara *et al.*, 2013). Whites lived in areas that were well developed, with houses built and financed by the private sector while the blacks lived in areas with mostly public sector housing. Both the public and the private sectors can therefore be said to have contributed to the provision of housing in the country both before and after independence. However before independence private sector involvement was primarily in the field of providing finance through building societies for individual purchase, and construction for the new housing was limited to the high-income group (Kamete, 2006).

Drakakis-Smith (2000) states that, during the colonial era blacks were only allowed in the urban areas on a temporary basis and this was enforced legally through the Land apportionment Act (Number 30 of 1930) which divided the country into African (black) and European (White) areas. Blacks were obliged by circumstances to come to town only to work and then later retire to their rural homes. Indeed the Urban Areas Accommodation and Registration Act (Number 6 of 1946) stipulated that only the employed blacks could be allowed in towns and cities. This Act allowed the local authorities to set aside urban locations for working Africans and also required that employers accommodate their workers within their premises (Musekiwa, 1995). The type of housing provided initially was in the form of hostels or servants' quarters within the employer's residence. Lack of access to decent housing did not seem to have any significant bearing to the pace of urbanization; people still migrated to the urban areas. This exacerbated the problem of housing leading to tremendous pressure on the colonial government, which was finding it increasingly difficult to uphold these Acts.

The major task of the post independence government was to come up with specific policies and strategies to redress the inequalities in the provision of housing and satisfying the aspirations of

the people in the urban areas. In line with this the government adopted the following policies, Homeownership, National Housing Fund, Housing and Guarantee Fund and Aided Self Help. Homeownership policy was introduced by the new government in 1982 as one of the first of such attempts to help the previously disadvantaged blacks. Despite its introduction the demand for urban housing kept on increasing. Furthermore there was a reduction of the rental housing stock as more houses were converted to homeownership. This precipitated the increase in prices for urban housing which impacted negatively on affordability.

A National Housing Fund was established in 1982 as a support for the homeownership (Ministry of Local Government and National Housing, 1999). However the National Housing Fund did not manage to grow into a viable revolving fund which is capable of sustaining itself. One of the reasons being that the yearly budget allocations were inadequate to meet the requirements of local authorities and this limitation forced Government to resort to borrowing which is a negative impact on the fiscus.

In addition to the policies introduced immediately after independence some measures were taken by the government to allow full participation of the private sector. In order to encourage greater participation of building societies in the provision of houses for all income groups the government introduced the tax-free interest bearing class "C" Paid Up Permanent Shares (PUPS).

The concession was agreed on condition that 25 % of the money generated by Class "C" PUPS would be channeled into low-cost housing (Ministry of Local Government and National Housing, 1999). The measures saw the building societies for the first time financing low-cost housing in high density areas on a greater scale. This was however short-lived as by the end of 1989 building societies complained of liquidity problems and were no longer giving mortgages to low-income applicants (Rakodi, 1995). The building societies also argued that PUPS are not competing well with other portfolios. As a result they were losing savings as clients transfer their money to other attractive portfolios. If they raised PUPS interest rates mortgage interest rates would also be increased and thus complicating the affordability issue.

The urban housing problem is marked by, the proliferation of backyard shanties, high occupancy rates of up to 10 people per room and the rise of informal settlements characterized by poor sanitation and other related sub-human conditions (MPCNH, 1995). If demands for housing in a society are not met it means that the marginalized groups are further disadvantaged as competition for limited resources stiffens. Given the limited ability to deliver adequate housing within the context of a deteriorating economic situation, questions arise as to the actual magnitude of the impact on already marginalized groups.

3. THE PROBLEM INVESTIGATED

Trends in housing policy since 1980 have marginalized low-income earners housing needs. The limited choices that have been suggested in these policies have not managed to match the ever increasing demand for housing. Thus despite the efforts at building more houses the low-income earners still face housing problems. This is evidenced by the emergence of squatter settlements and backyard shelter in and around Harare, which exist despite the strict controls enforced by the government against such dwelling. In this study attention is on examining the urban housing policy

and its impact on the low-income earners. This group include those who earn US \$500 and below per month. This is the minimum wage linked to the Poverty Datum Line gazetted through Statutory Instrument 61 of 2013 ([The Financial Gazette, 2013](#)). Low-income earners seeking affordable accommodation are usually kept on the housing waiting list for many years and most of them resort to lodging or staying on undesignated land.

The housing policy as a tool of development was meant to provide affordable housing. Was this really the case? Has the immediate post colonial housing policy been effective in terms of its objective? These are questions that requires answers, hence this study which has the objective of examining housing policy and its implications for low income earners.

4. THE SIGNIFICANCE OF THE STUDY

That there has been a problem of homelessness in Zimbabwean cities warrants an inquiry into its magnitude. The extent to which the housing policy impacts upon the homeless, especially the low-income earners in the urban areas becomes one that calls for research. It is against this background that the study attempts to analyse the housing policy in Zimbabwe. This is done through examination of the housing policy. The study attempts to tease out the implications of the housing policy on low-income earners and the likely effects on the standard of housing meant for low-income earners by examining the low income earners' access to housing.

5. METHODOLOGICAL CONSIDERATIONS

The research was largely in the form of policy analysis. The process of analysis in this case involves analyzing the policy statements and drawing out the implications for the low-income earners. Policy research is a process of analysing a fundamental social problem in order to provide policy makers with recommendations to alleviate the problem. Such kind of research begins with a social problem which in this case is the shortage of housing among low-income earners.

5.1. Research Activity

The research consisted mainly of desk research to review relevant policy papers and documents. The Low-Income Urban Housing Policy for Harare and the National Housing Policy for Zimbabwe were examined and used as a basis for this research. Specific policy proposals outlined in the housing policy for the city of Harare were critically analysed with the intention of measuring its weaknesses and strengths against the shelter needs of the low-income earners in the city. This was done with the aid of the minimum wage policy, which is based on the Poverty Datum Line.

The analysis of the policy papers and documents was done using the theoretical framework. As an analytic tool Basic Needs Approach questions the ability of the housing policy to fulfill the minimum shelter needs. The emphasis of this theory lies on issues of poverty and income distribution after it became evident that development issues evade the poor. For Basic Needs Approach, development can be said to occur when the needs of all sections of the population are satisfied. In housing issues the high-income groups tend to have an advantage over low-income groups in acquiring houses. So the basic need of housing among the poor is not met.

6. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Housing is a very crucial factor in development and as such many issues have been raised on the subject. The literature reviewed suggest that housing is not just the physical construction of dwelling units but it performs three important functions namely the material function in terms of shelter provision, symbolic function in terms of status or social class and the external function which refers to the strategic location of housing in geographical space (Owen, 2000; Griffin, 2001). This indicates that housing studies can take many dimensions

Shortage of housing is one area of study that has been debated extensively. A case study done in Zimbabwe revealed that the increase in the shortage of housing was due to the following

- The removal of influx control laws in 1980 leading to families reuniting with migrant workers in town.
- Migration into urban areas due to perceived opportunities for income and employment
- The insecurity of landlessness and drought in rural areas, leading to migration to urban areas as a poverty alleviation strategy (Hall, 2000).

6.1. Theoretical Framework: Basic Needs Approach

Basic Needs Approach shall be adopted as a theoretical framework for this research. This theory arose after the recognition that development is not all about economic growth. Previously development was defined in terms of economic growth and thus theories centred on the economic factor. The main reason for the emergence of Basic Needs Approach theory was because the previous development efforts had left many people lacking the basics.

6.2. Housing as a Basic Need and Human Right

Housing has been identified as one of the core needs in literature. Stewart (1995) states that besides food, security and safety, man needs adequate shelter as part of the physical needs that must be satisfied to ensure his healthy survival. Moreover, the Habitat Agenda, a global strategy on human settlements which was adopted by all national governments in Istanbul Turkey in 1996 recognizes housing as a basic need and human right (UNCHS, 2000). Therefore housing is taken as a basic need and a human right in this research. A secure place to live is very crucial for human survival hence housing should be taken as a basic human right.

The right to adequate housing should also be taken as a national priority. That is, in order to solve the fundamental problem of poverty, governments must focus on ensuring that this right is observed, and putting in place institutions that make housing to be both affordable and accessible to everyone (Owen, 2000). In addition to that governments must ensure that legislation favours the right to adequate housing for everyone including the poor. The only reason homelessness is allowed to exist is because a person's need for a home is seen as a means of someone else making profit (Buehler, 1998). Thus governments must guard against profiteers especially in market oriented housing provision.

7. RESULTS

7.1. Housing Policy and the Urban Poor

As stated earlier, this study consisted mainly of desk research to analyse policy documents. However, an empirical study was needed to support the secondary data. All secondary data accessed through desk research was originally generated through primary data. Thus thorough validation requires going back to the primary sources. Where there is a mix of desk and primary research there is everything to be gained as gaps left out by desk research can be filled using data from primary sources.

7.2. Schedule A

Issues focusing on the Ministry of Local Government and National Housing included among others, the low-income housing problem, finance mechanisms for low-income housing, administrative structure in place to guarantee the provision of low-income housing and awareness of the legislature and international declarations which relates to housing. The reason behind developing this housing policy was that there is a huge backlog in housing which needs to be cleared. It was also felt that there is a need to come up with a policy that will ensure decent and affordable housing, a policy that can bring about economic empowerment and alleviate poverty. In addition to that the purpose was to ensure that housing standards are not compromised and lastly to involve other players in housing.

Concerning mechanisms that the ministry uses to finance housing development for the low income groups, the National Housing Fund and the Housing Guarantee Fund remain as the two main funding instruments that has been used specifically for low income groups. On whether there are instruments of the policy to protect the low-income earners from the fraudulent suppliers of housing material and services, the ministry relies on building by-laws put in place to give the standards of material to be used. However the problem is how to monitor those suppliers. The major approaches to housing problem that were raised during the interview include the subsidy system. The housing problem has led the government to provide subsidies on land and therefore land sold for residential purposes is sold at 40%, which is 20% less than the market rate. Furthermore the government exempts building societies from paying tax if they offer Paid UP Permanent Shares (PUPS) to the low-income group. Responding to the question about the ways that the government has devised to help the local authorities to achieve goals set in the housing policy, the government provides loans for them to build houses for the low-income people and also assist in buying land for local authorities.

7.3. Schedule B

Results obtained from the Department of Housing and Community Services for the city of Harare focused on the following issues; the housing waiting list, affordability problems, funding options for housing provision, planning policies, policy on private sector participation and building standards.

The housing waiting list had 120 000 low income earners although it is presumed that there are more than 500 000 people in need of accommodation. In that waiting list people are classified

using income levels and those in the least low income bracket are said to be experiencing affordability problems. In addition to the income levels the Department also considers the marital status and type of employment (formal and informal employment) in classifying people on the waiting list. The cost of most basic house of 4 rooms was quoted at US\$25000. Registration on the housing waiting list and allocations based on a first come first served basis and affordability (salary and savings). Lodging is only accepted as a temporary solution to the problem that the city is facing but in the end people should have adequate housing. On a related issue backyard structures are considered illegal and from time to time the city council has been forced to destroy such structures. Furthermore there are proper building standards that have to be followed and people should not build anywhere as this inconveniences the planning structure of the city.

Therefore these matters of policy that were raised during the interviews are considered in the analysis of the policy document. As stated earlier on, this exercise was meant to get the most out of the respondents so as to supplement the secondary data. Thus these findings and the examination of the policy statements lead to the achievement of the objectives of this study.

8. POLICY PROBLEMS AND ANALYSIS

In section 1.2.7 the Harare low-income housing policy states that 100% of the registration and renewal fees paid by applicants on housing waiting list be set aside for development of on-site and off-site infrastructure. While this may be a venerable idea, it is advisable that the city council first concentrate on developing a mechanism through which the applicants would know their state on the list at any given time and how far they are in the queue from getting a house. This is crucial for applicants because they can get demoralized while still in the queue.

In Section 1.3.1.3 the policy states that, Garden and high-rise flats should be encouraged by the allocation of land specifically through layout plans. However the housing policy overlooks some of the negatives that go with the idea of high-rise flats. The construction of flats cannot be done on an individual basis hence it removes some of the more affordable methods of housing provision like aided self-help and core housing provision that are suitable for poor households. Also the flats require a large capital in their construction and considering the financial base of the city of Harare these flats may not be realised easily. This was also the concern of HPZ, that housing policy still lacks that efficient layout plan and house plan that will cater for the low income earner. The standards are still too high for most of them and under such circumstances the self-help initiatives for low-income groups will not be feasible. In addition the building of flats may require the engaging of highly skilled personnel, which means more costs compared simple houses.

Although high rise buildings put a large population in a small area in a short period of time it will be more difficult to maintain them than any other form of housing. If the city council decides to put lifts it will have to contend with the lift breakdowns of which it means more costs to incur. If the stairs are preferred ahead of the lifts still the city council or the residents will have to maintain them at a cost. The flats also do not provide land for vegetable gardens, which the low-income earners would need to supplement their incomes. Furthermore in flats there is no provision to dry washing except on balconies and out of the windows where it creates a shanty-town look.

This might have a debilitating effect on those low-income earners who would be trying to overcome the psychological effect of having stayed in the squatter camps before switching to council provided housing. Generally one would say the idea to densify by reserving large land for housing for high-rise flats would mean promotion of urban sprawl.

According to section 1.5.1 the Harare city council is to provide enabling environment for private sector participation in housing provision with a focus for the middle and low-income people. The idea of private developers is a very noble idea but it is not without problems. There has been a rise of unscrupulous developers that have taken advantage of the intended beneficiaries.

For example they advertise stands and sell the stands on plan by servicing and then collect large amounts of money from unsuspecting home seekers before going into liquidation, making it difficult to salvage anything.

In section 1.6.8 it is proposed that it be Harare city council's policy for private sector to be restricted to provision of home ownership housing on the basis of affordability. However the council's policy of restricting private sector to home ownership housing may limit its full participation as some people may not afford to own houses but can afford to rent. Instead the council should leave the provision of housing open so as to encourage the private sector. To protect low-income earners against the private sector companies who provide housing for unreasonable prices the council should put price controls on houses. This will allow private sector companies that are comfortable with the fixed maximum prices to compliment the cash strapped public sector.

Another method of dealing with the housing backlog as proposed by the housing policy is through pay schemes. According to section 1.5.6.2 the policy state that the council should adopt "Pay schemes" as a strategy for housing delivery that taps mobilized personal savings for servicing of partially serviced and virgin land which council has no immediate resources to develop. The argument that pay schemes will increase the number of housing units more rapidly has some shortcomings. In community based cooperatives there is lack of knowledge on the part of the participants. This leads to such pay schemes to be shortchanged by the financial institutions which offer them loans. Therefore because of lack of knowledge they cannot be selective with their investment in order to get better interest rates and service.

Section 1.1.3, states that council should identify land and if there is need then acquire land on annual basis for housing development to reduce the housing waiting list. Land around the urban centres is still under the Ministry of Lands and Agriculture and not local authorities. Thus it takes time for the land to be released for urban expansion and this is one of the persisting problems, which makes reducing the housing backlog an uphill task. The use of the Land Acquisition Act tends to drag the whole process. In addition the other constraints to land acquisition are lack of funds for buying land and building actual structures. Due to the fact that it is long the formal process for land acquisition is subject to abuse by the allocating system.

9. CONCLUSION

At the beginning of this study it was postulated that the constraints of the provision of housing can be linked to the housing policy. The findings of this study has come up with several

conclusions with regards to the explicit and implicit implications of policy formulation and expected outcomes.

With the policy approach that is in place both the central government and the local authority are likely to have the difficulty in clearing the housing problem. The solutions outlined in the housing policy might not have enough depth that is needed to overturn the present situation.

The urban housing policy has put an over-emphasis in ownership and affordability, and that in the absence of equal commitment to alternative innovative tenurial options. The issue of home ownership being prescribed as a solution is problematic. It is without foresight that some people will never own their own houses but can afford to rent. The issue is not only security of ownership but that of affording quality shelter with security of options are from the lodging market as opposed to a public rental market. Thus the policy is not in favour of the low-income earners because like the previous policies it continues to measure housing need through lack of ownership.

10. POLICY RECOMMENDATIONS

With the city of Harare population ballooning and the residential density that goes with it there is a need for knowledge and acute planning on the part of the policy makers. Poor policies can lead to a failure to achieve the intended goal of housing people. Thus informed decision making requires sound information on the housing market operations. The policymakers need to combine information gathered through land price surveys and household surveys to provide an up to date, accurate and detailed profile of land and housing market. This will help to assess the affordability of land for households at different income levels. In this way low-income earners will be catered for in housing units that are within their means. This information should also be disseminated to the private sector home builders so that they can also consider low-income earners in their building plans.

Collection and analysis of data and research findings should be institutionalised in the housing sector. Plans, status reports of the housing demand and supply inclusive of the waiting list, allocation of stands and houses, property transfers, access to mortgage repayments needs to be institutionalized by the central and local government and the private sector, in particular the financial institutions should be well compiled so that the state of the low income earners is known.

Mechanisms for measuring the magnitude of the housing problem should include an analysis of income and family size in order to have a more targeted approach rather than the manner in which the housing waiting list is presently compiled. Central government should legislate for periodic reports from local authorities and private sector on the income levels of beneficiaries as a way of monitoring the situation. The process of land acquisition is very cumbersome. There is therefore a need to review standards and improve land delivery. The use of the Land Acquisition Act is a lengthy process. The Harare municipality should establish a strategic planning team for acquisition and banking land.

REFERENCES

- Buehler, B., 1998. Housing in America: A basic human right, paper presented at the New York Municipal Art Society's 1998 exhibition "100 great ideas for New York's future, 9 November, New York Available from http://www.aestheticrealism.net/Housing_buehler.htm [Accessed 11 February 2013].
- Chigara, B., L. Magwaro-Ndiweni, F.H. Mudzengerere and A.B. Ncube, 2013. An analysis of the effects of piecemeal planning on development of urban small urban centres in Zimbabwe: Case study of Plumtree. *Journal of Sustainable Development in Africa*, 5(2): 27-40.
- Drakakis-Smith, D., 2000. *Third world city*. London: Routledge.
- Griffin, A., 2001. The promotion of sustainable cities. In Friere, M. and Stren, R. (Eds.), *The challenge of the urban government: Policies and practices*. Washington DC: International Bank of Reconstruction and Development. pp: 63-72.
- Hall, N., 2000. *Partnerships in housing provision: A case study of co-operative housing initiatives in Kwekwe, Bulawayo and Harare*. Working Paper No. 3. Harare: Municipal Development Program (MDP).
- Kamete, A., 2006. Revisiting the urban housing crisis in Zimbabwe: Some forgotten dimensions? *Habitat International*, 30(4): 981-995.
- Lohse, U., 2002. Housing finance-overview. In UN Habitat (Ed.), *Financing adequate shelter for all*. UN Habitat, Nairobi: Addressing the Housing Finance Problem in Development Countries. pp: 41-47.
- Ministry of Local Government and National Housing, 1999. *The national policy framework of Zimbabwe; A review of the policies and strategies*. Harare: Ministry of Local Government and National Housing.
- MPCNH, 1995. *Zimbabwe's approach to housing development (Prepared in collaboration with Finida)*. Harare: Ministry of Public Construction and National Housing.
- Musekiwa, A., 1995. Low-income housing development in Harare, a historical perspective. In Zinyama, L. (Ed.), *Harare the growth and problems of the city*. Harare: University of Zimbabwe Publications.
- Owen, S., 2000. *Poverty in world politics*. London: Macmillan Press.
- Rakodi, C., 1995. Housing finance for low-income urban households in Zimbabwe. *Housing Studies*, 10(2): 199-227.
- Stewart, F., 1995. *Basic needs in developing countries*. Maryland: The Hopkins University Press.
- The Financial Gazette, 2013. Over 60 pc of Zimbabweans live in poverty: 1. [Accessed 17 April].
- The Financial Gazette, 2013. No action on Willowvale flats grabbers: 2. [Accessed 15 February].
- UNCHS, 2000. Strategies to combat homelessness. Available from <http://ww2.unhabitat.org/programmes/housingpolicy> [Accessed 12 March 2013].

Views and opinions expressed in this article are the views and opinions of the authors, International Journal of Asian Social Science shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.