

AN EVALUATION OF PRIVATE SECTOR, GOVERNMENT AND NGO'S PARTICIPATION IN THE PROVISION OF LOW COST HOUSING IN ZAMBIA:

A CASE STUDY OF LUSAKA

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Abstract—

There had been a housing shortage in Zambia and there was need to counter this housing problem and shortage by way of policy, thus the Zambia National Housing Policy was formulated. However, the housing problem still exists, the housing backlog has kept increasing and the intended results of the Zambia National Housing Policy remain unknown. The purpose of this study was to evaluate the private sector, government and non-governmental organisations participation in the provision of housing in Zambia. This was done in order to help shed more insight into the housing problem and provide recommendations on how best to address it. Purposive sampling was primarily used to administer questionnaires to selected people in the study areas in Lusaka. This was supplemented by the use of desk top surveys, in-depth individual interviews, document analysis and questionnaire surveys administered to selected individuals from the government, private sector and NGO's involved in housing provision. It was found that there was participation by all

housing players in Zambia although the effort is insignificant compared to the housing need and deficit. Therefore, there is need for these housing players to more than double their efforts if any significant change is to be seen with regard to low cost housing provision. The study further revealed that what could be done collectively by the housing

stakeholders in order to reduce the housing backlog in the nation was the mobilisation of resources and coordinated development starting with the provision of affordable finance and serviced land.

Keywords—

Evaluation; Housing; Non-Governmental Organisation's (NGO's); Government; Private Sector; Decent Housing; Affordable Housing; Housing Finance; Housing Policy; Poverty (Poor People).

1.0 INTRODUCTION AND BACKGROUND

Housing is a basic need after food and clothing and, as with all other basic needs, adequate housing is a pre-requisite to national socio-economic development. In Zambia, inadequate housing is more pronounced in the low income groups which constitute the majority of the country's population (GRZ, 1996). Lusaka is a largely urbanized city in Zambia with a high influx of people from all walks of life but also characterized by low income earners, thus it was found to be ideal for purposes of being a case study for this particular research. Housing policy in Zambia is guided by the National Housing Policy which was formulated in 1996. Despite its formulation, Zambia is still faced with a critical shortage of housing and an enormous housing backlog, mainly due to lack of housing finance, inadequate land titling, rapid population growth, and rural-urban migration. Taking into consideration that about 62% of Zambia's 2010 total population of 13,046,508 are poor i.e. 8,088,845 live below the poverty datum line (GRZ, 2010), and it is often the poor who are adversely affected by the lack of housing, it was therefore imperative that an evaluation be conducted to determine the participation of the private sector, government and NGO's in the provision of low cost housing in Zambia. Their poverty may entail inability to afford or struggle to pay the economic rent or price for a decent house in the light of escalating building costs and finance charges by the financial institutions.

PROBLEM STATEMENT

The overall problem that necessitated the evaluation of the private sector, government and NGO's participation in the provision of housing in Zambia is that despite the formulation of a National Housing Policy in 1996, there continues to be an increase in the housing backlog in Zambia. The housing backlog has risen from 846,000 in 1996, to 1.3 million in

2000, about 2 million in 2012 (UN-HABITAT) and it currently stands circa at over 3 million housing units in 2015.

1.1 PURPOSE OF THE STUDY

The purpose of this study was to evaluate the private sector, government and non-governmental organisations participation in the provision of housing in Zambia. It intends to determine the extent of the named parties' involvement in the provision of housing in Zambia and to establish what more could be done in order to reduce the housing backlog which has been constantly increasing. It was a case study of Lusaka for an in-depth analysis.

1.3 RESEARCH QUESTIONS

- i. What activities are being undertaken by the government to encourage the private sector and NGO's participation in low-cost housing provision?
- ii. What is being done by the private sector and non-governmental organisations towards the provision of low-cost housing?
- iii. How has the participation of the private sector and non-governmental organisations been affected after the implementation of the National Housing Policy?
- iv. What challenges are being faced by the private sector and non-governmental organisations in the provision of low-cost housing?
- v. What more could be done by the private sector, government and NGO's to best address the housing problem?

1.4 SIGNIFICANCE OF THE STUDY

It was hoped that this research would refine, revise and extend existing knowledge on the participation of government, private sector, and NGO's in the provision of low cost housing in Zambia, as it provides insight into it, thereby contributing to the existing body of knowledge. The study also provides recommendations on what more could be done by the private sector, government and NGO's to best address the housing problems.

2.0 LITERATURE REVIEW

Housing has been described by a lot of researchers as a very difficult term to define; there are indicators in the social science literature that it is not an easy field of investigation to characterise (Lowe, 2004). Bourne (1981) explains that housing at its most basic level, is certainly shelter but it is clearly much more than that. It is a physical entity, a social artifact, an economic good, a capital stock, a status symbol, and at times a political phenomenon. This study defines housing as a process of providing accommodation, that is, houses and flats. The study looks at housing as the end product of the process of shelter provision. Oxley (2004) describes affordable housing as a synonym for housing provided at sub-market prices to households on low income. Such accommodation, especially when rented is often called social housing.

Bridger and Winpenny (1983) also write that although in United Nations parlance, some kind of shelter is clearly a 'basic need', it is very difficult to go further and specify the type and standard of housing that is a minimum requirement for life as we know it. Once the most basic protection has been given against the elements, housing needs are socially determined. It is on the premise of housing needs being a social construct that a decent house was defined to suit

the Zambian context since decency conforms to standards which are commonly accepted in a given society. Therefore, a decent low-cost house is defined for the purposes of this study as a low-cost house which has at least 60m² of floor area, has 3 bedrooms (whether actually or planned for extension), has access to clean drinking water and sanitation, is serviced by an access road and electricity, has a toilet, has a secure door, ventilation outlets, adequate windows which are at least 10% of the floor area and a have a cement sand screed floor surface. The Jesuit Centre for Theological Reflection (JCTR) standard for a decent house is a 3 bedroomed house for 5 people (JCTR, 2012). According to Muchima (2004), housing finance is the amount of money a nation invests in shelter and probably is the best single indicator of quality and quantity of its housing. In private and public sectors, the development and purchase of housing requires large sums of money derived from different sources, such as banks and equity markets, therefore, borrowing is necessary and the availability of long term credit is of critical importance in making demand for owner occupation effective. Housing policy on the other hand is defined as a strategy that explains the goals and means through which housing objectives can be attained (Mashamba, 1997).

Poor people were categorised as people not having enough money to take care of basic needs such as food, clothing and housing. They are categorized by the poverty datum line, which is K32.86 in Zambia as determined by the Central Statistical Office (CSO) in the Living Conditions Monitoring Survey (LCMS) which fixed at K32.86 and K 47.18 for extreme and moderate poverty per adult equivalent per month, respectively (GRZ, 2000).

Bridger and Winpenny (1983), note that governments worldwide find that their greatest challenge is designing projects and policies that

benefit the very poorest layers of society. Such households tend to have the least prospect of regular incomes to make payments, the fewest financial and personal assets, and the least secure foothold in the modern economy. Governments can try and reach such households directly or indirectly. Direct assistance takes the form of slum upgrading, the recognition and servicing of squatter settlements or the provision of very rudimentary site and service plots. Indirect assistance consists of increasing the supply of rented accommodation, such as in site and service schemes. Smith (2006) also notes that although free markets unleash productivity and innovation, they are still bound by economic laws. As a result, markets alone will never satisfactorily house a nation's poorest citizens.

Private sector housing is any production which is not connected at all with the actions of the state, neither directly constructed by the state nor financially sponsored by the state, where production is not expected to have a social element (Njathi 2011). The private sector can play an important role in housing provision, provided that the state offers sufficient and appropriate incentives to the sector (Mitullah, 2003). Usually, the private sector, both formal and informal, is the largest producer of housing units in various countries. Bizwayo (2011) states the private sector has been identified to be able to provide housing more efficiently and cost-effectively.

The United Nations (2008) has noted that over the years, government authorities across the world have tried implementing policies and programmes to resolve the serious problems of housing the urban poor. The most often repeated but least effective policies and programmes that aim to ensure that the urban poor have a decent place to live (United Nations, 2008) are pushing the poor out of the cities, state provision of housing for the poor, private sector provision of housing, and turning a blind eye to the problem.

The government strongly supports the principle of home ownership as a means of providing security, stability and economic power to the family unit and as a basis for the development of economically strong and motivated communities (GRZ, 1996). One of the most important roles for governments in housing provision is the provision of an enabling environment. The enabling environment strategy approach relies on the presence of a wide range of non-state actors able and willing to produce and market dwellings and to undertake the vital support roles which are essential to the housing process (Makasa, 2010). Partnerships are therefore the key to an enabling approach.

The United Nations (2008) notes strategies which enable the poor and they are as follows: : investing in building partnerships (between the government, the private sector, non- governmental organisations, and the poor communities), provision of basic services through partnerships, community savings and credit, community lead processes, softening the rules and regulations, working from locally-rooted information, and creating for space for dialogue

2. 1 THE 1996 ZAMBIA NATIONAL HOUSING POLICY

Zambia had not had a housing policy prior to the National Housing Policy (NHP) which was formulated in 1996. Prior to that, housing issues were addressed through various national development plans. Makasa (2010) notes that the National Development Plans achieved little success, they mainly failed to meet their desired objectives due to their contradictions and unrealistic goals, poor economic performance, mismatched needs and ability, and development plan project over-runs.

This housing policy noted that housing was a social need after food and clothing and, as with the other basic needs; adequate housing was a pre-requisite to national socio- economic development.

It acknowledged that Zambia was faced with an enormous housing backlog and lacked an effective housing delivery system. The policy therefore provided a comprehensive assessment of the housing situation in Zambia and provided a vision for resolving the housing problem. It also spelled out the roles of the various stakeholders in the housing matrix and their co-ordination for an effective housing delivery system, stressing private initiative whilst strengthening the government's role as the provider of the requisite enabling environment for sustainable housing delivery. Its main goal was to provide adequate affordable housing to all income groups in Zambia (GRZ, 1996). This policy aimed at rationalising existing institutional arrangements to cope with population needs and demands. There are a number of actors in shelter delivery in Zambia and their roles differ accordingly. These include the Ministry of Lands, the Ministry of Local Government and Housing, the National Housing Authority, private sector developers, financial institutions and non-governmental organisations (Bizwayo, 2011).

The role of the private sector in development was to participate effectively in the construction of housing for all categories of the population either for sale or rent, participate effectively in the manufacturing and supply of building materials, in infrastructure development for housing estates (GRZ, 1996).

Community based co-operative housing development have proved to be a viable option for delivery of cost-effective and affordable housing, while creating mixed income communities. Community based organisations would therefore perform the roles and functions of encouraging community savings for housing needs of individual members, help acquire land for housing, acquire common land and prepare project design briefs for members of housing developments, establish proper book-keeping and

accounting systems and encourage community participation in the development of neighbourhoods. NGOs are very active in Zambia and some have important housing inputs. Chief among the housing suppliers at the bottom of the market are Habitat for Humanity and the People's Process on Housing and Poverty in Zambia, both of which are parts of international organisations or movements.

3.0 RESEARCH METHODOLOGY

The methodological approach used in this study is eclectic with a bias towards qualitative methodologies. The approach combines suitable research instruments based on qualitative and quantitative methodologies. However, qualitative methodologies were mostly used.

Qualitative methodology was used to gain a deeper understanding of people's views and their feeling on the participation of the private sector, the government and NGO's towards housing in Zambia. It was also used to get an understanding on whether the government, the private sector and NGO's are helping in housing provision in Zambia and to determine what activities could be undertaken by the government, private sector and NGO's to improve housing in Zambia. The use of quantitative data in this study was limited to purposive sampling. It provided useful insights into the study of the housing situation of the people in Lusaka. The research used both primary data and secondary data as sources of information.

3.1 PRIMARY DATA SOURCES

Primary data was collected with the aid of questionnaires administered to the Ministry of Local Government and Housing, National Housing Authority, NGO's (Habitat for Humanity, Poor People's Process on Housing and Poverty, and the Zambia Low-Cost Housing Development Fund), Private Developers, and a community survey of four (4) low-cost housing areas in

Lusaka, Presidential Housing Initiative (PHI), Mtendere, Kaunda Square and Chongwe). The policy formulators (MLGH), policy implementers (NHA and MLGH) and the policy beneficiaries (the people in these communities) were all interviewed.

3.2 SECONDARY DATA SOURCES

Secondary data sources included published and unpublished material such as books, journal articles, reports, newspapers, dissertations and information from the internet. A desktop study involved the review of the National Housing Policy, and various Acts from the Laws of Zambia, and other relevant literature related to housing policy. Analysis of qualitative data was done using the Statistical Package for Social Sciences (SPSS) as well as Microsoft Excel.

3.3 SAMPLE SIZE AND SAMPLING METHODS

In this study, five categories of questionnaires were administered. These were directed to the Ministry of Local Government and Housing, National Housing Authority, NGO's, Private Developers and the Community. Purposive sampling was used to administer institutional questionnaires to the key informants at the Ministry of Local Government and Housing, National Housing Authority, Habitat for Humanity, Poor Peoples' Process on Housing and Poverty in Zambia, and the Zambia Low-Cost Housing Development Fund while Multi-stage sampling was used when administering Community survey questionnaires which had a sample size of 100. This entails that 100 questionnaires were administered in the community with 25 questionnaires for each of the four (4) localities i.e. Chongwe, Kaunda Square, Mtendere, Kaunda Square and PHI.

3.4 INSTRUMENTS USED IN DATA COLLECTION

The instruments used for data collection were self-administered questionnaires which (included both open-ended and closed-ended questions) and they were supplemented by interviews in some instances.

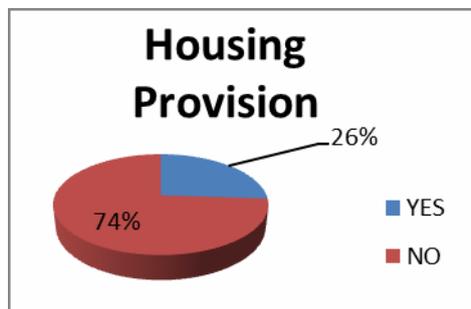
4.1 RESULTS AND ANALYSIS

The activities that are being undertaken by the government are not direct provision of housing. Rather, they are indirect through provision of municipal services such as water and sanitation, solid waste management, drainages, roads, street lighting and allocation of plots and serviced land such as site and service schemes.

It was not established as to exactly how many houses have been constructed since 1996 but they were estimated to be less than 1 million housing units. The supply of housing units constructed per year was also estimated to be below 100,000. The major beneficiaries of the houses being constructed were middle-income and high income earners as they are the ones who are able to afford these houses being built by private developers and NHA. The provision of housing in Zambia has been affected by the NHP in that the housing sector was liberalised and more houses have been built by individuals, private developers and the NHA. However, it was acknowledged that there continues to be a backlog in housing in Zambia despite all these interventions and activities being undertaken.

The study sought to determine whether the government, the private sector and NGO's are helping with low cost housing provision in Zambia. The results are shown in the figure below:

Fig. 1. Housing provision



^a. Source: Field survey by Author, 2017

It was found that 74 percent of the respondents opined that the government, the private sector and NGO's are not helping with low cost housing provision while 26 percent of the respondents were of the opinion that the government, private sector and NGO's are helping with low cost housing provision.

The study further revealed that the property developers have been involved in housing provision for over 10 years. Their core business was the sale of residential and commercial land as well as houses. They have flexible payment plans offered for the low-income earners. No collateral is required as they only sell to people who have proven ability to pay by way of recent pay slips and verifiable records of employment. This extends to all income groups. Among the plots serviced or houses developed, the middle cost houses have the highest demand. Payment for these units varies depending on the agreement of the parties. Since inception, over a thousand houses have been built through individuals and plots exceed 20,000 for all the projects put together. The criterion used in selecting a location for housing investment is primarily availability of land and ease of access. The plots were sold for K 95,000 at current market rates although they were being sold for K 20,000 10 years ago. . Whether the majority of Zambians

could afford them was equally not established.

The survey got three responses from the four Non- Governmental Organisations that were sampled, they work in partnership with a grassroots movement of people residing in informal settlements and rural areas. The roles that the NGO's play in low-cost housing provision vary and were found to be as follows:

- i. Shelter improvement from grass-thatched and mud bricks to asbestos roofing and concrete block (decent shelter).
- ii. Offer technical and financial support such as layout or house plans and research on suitable materials such as sand blocks and hydra-form bricks.
- iii. Lobbying of funds to mobilize resources and augment the community savings so as to foster development in local communities.
- iv. Creating linkages with relevant stakeholders in addressing land access, finance, provision of services and policy making.

4.1 WHY THE HOUSING BACKLOG IN ZAMBIA KEEPS INCREASING

The study further established that various reasons were attributed as to why the housing backlog in Zambia has kept increasing. They are; lack of planning, few institutions dealing in low-cost housing, increase in population, high incidence of poverty due to high levels of unemployment, lack of housing strategy to implement the housing policy, insufficient resources in terms of budgetary allocation, and those mandated to provide housing are not meeting the demand which is mostly among the low-income.

4.2 EVALUATION OF RESEARCH QUESTIONS

- i. **What activities are being undertaken by the government to encourage the private sector and NGO's participation in low-cost housing**

provision?

The government provided a framework through which the private sector and NGO's can participate in housing provision in Zambia. This has been through the formulation and implementation of the National Housing Policy of 1996. The key role of the government has also been to provide an enabling environment through which the private sector and NGO's can operate. Further, the government has also, in some instances provided land to the private sector and some NGO's which have been used for housing projects which these entities have embarked on. The government has in the past also engaged in settlement upgrading, setting up site and service schemes and allocating plots to individuals. However, this has not happened in the recent past.

Other than the above named activities, no other activities were identified. There is therefore more effort needed to by the government to encourage the private sector and NGO's in order to encourage them to participate in low-cost housing provision in Zambia.

ii. What is being done by the private sector and non- governmental organisations towards the provision of low- cost housing?

The private sector was found to be actively involved in housing provision in Zambia as they are involved in various property development projects throughout the city. However, they are more active on the medium cost and especially the high cost housing markets. It is perceived that their returns are higher in these markets thus bias towards those markets, to the detriment of low cost housing. Moreover, when they develop low cost housing, it is usually sold at high prices thus the low income earners are not able to buy low cost houses from them. The ones who end up buying those houses are the medium income earners and high income earners. There is therefore need for the private sector to focus on low cost housing.

NGO's were found to be the ones who end up catering to the housing needs of the poor and the low income earners in communities. This has been through identification of vulnerable members in societies, mobilisation of land and resources and eventual construction of houses with the participation of the communities. However, their activities are limited due to constraints in funding from their partners or donors. Another setback they often face is the unavailability of land which the government and traditional leaders are not eager to give them for their activities.

There is therefore need for more effort by the private sector and NGO's in housing provision. Another area which is yet to be exploited by the private sector is with regard to housing finance. There are few private players in housing finance. But it will need to be provided at low interest rates if it to work and have an impact on the Zambians in dire need of finance for their housing.

iii. How has the participation of the private sector and non-governmental organisations been affected after the implementation of the National Housing Policy?

There has been improved participation by the private sector and NGO's after implementation of the National Housing Policy as their roles are clearly defined in the policy. An enabling environment has also been provided to encourage their participation in housing provision. However, since the government, which is the major player in housing has not done all that it set out to do according to the objectives and strategies of the policy, the private sector and the NGO's have been limited in their participation.

iv. What challenges are being faced by the private sector and non-governmental organisations in the provision of low-cost housing?

The challenges being faced by the private sector and NGO's in the provision of low-cost housing

are the inadequacy of both financial and human resources, the lack of appropriate low-cost technology and high cost of building materials. The policy in itself is sufficient to improve housing delivery in Zambia as it was well drafted and incorporated the views of all the housing stakeholders. The only problem was its implementation and political will from the government as it did not fulfill its obligations of contributing 15% of the national budget every year towards housing development programmes. Its contribution once was less than 3% and there has not been funding since then, effort is there but the pace is very slow.

In essence, the major challenges being faced by the private sector and NGO's are the high cost of building materials, high cost of finance and the cost of doing business, as well as the unavailability of land. This eventually has a bearing on the prices and affordability of low cost houses being sold on the market as this cost is passed on to the buyers by the developers.

v. What more could be done by the private sector, government and NGO's to best address the housing problem? Firstly, there is need to finalise the review of the National Housing Policy of 1996 in its entirety. Once this is done, an honest evaluation of the policy can be undertaken to highlight the various challenges which caused the policy to need a review. Then a new policy can be formulated.

However, since, the housing deficit keeps increasing every year; there is need for the various housing stakeholders and players to play their part. The government should start providing the 15% budgetary allocation towards housing. Only then can housing programmes and strategies be implemented. There is also need for the private sector to invest in low cost building technologies so that they reduce building costs and eventually the prices of low cost houses. The government and traditional leaders should also encourage the

NGO's by providing them with land for their housing programmes and at times help them with resources to enable them carry out their activities effectively.

5.0 CONCLUSION

It was found that there is participation by the government, private sector and NGO's in low cost housing provision in Zambia although the effort is insignificant compared to the housing need and deficit. Therefore there is need for these housing players to more than double their efforts if any significant change is to be seen with regard to low cost housing provision in Zambia.

6.0 RECOMMENDATIONS

The following are the recommendations suggested by the author in order to improve low-cost housing provision in Zambia.

1. Reduction of land service charges by the council and government. And pro-poor allocation of land to the poor or poor communities.
2. More organisations coming on board to give loans to the poor like the Poor People and Homeless Federation of Zambia at 1% in 8 years.
3. Provision of seed funding to housing initiatives targeting poor communities through a revolving fund for sustainability. The government must also deliberately set aside a fund to assist the poor build houses.
4. Open up more areas for housing and install services like electricity and water into those areas.
5. Encourage the use of alternative building materials and fund research into the use of cheaper technology and alternative building materials.
6. Full implementation of the national housing development programme strategy as well as providing the 15% budget national allocation towards housing that was stipulated in the 1996 NHP.

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