

THE URBAN HOUSING PROBLEM FOR LOW-INCOME
GROUPS WITH SPECIAL REFERENCE TO THE CITY OF LUSAKA:
A SOCIO-LEGAL PERSPECTIVE

BY

PATRICK MATIBINI

A dissertation submitted to the University of
Zambia in partial fulfilment of the requirements
for the degree of Master of Laws.

The University of Zambia

P.O. Box 32379

LUSAKA

MARCH, 1989

DEDICATION

I dedicate this work to my
wife, Ethel Sidubekile, My
three daughters, Malungo,
Mulando and Muyongwe and
to my parents, Mr. and Mrs
Andrew Muyongwe Matibini for
their selfless support.

DECLARATION

I PATRICK MATIBINI, do hereby declare that
this dissertation entitled:

THE URBAN HOUSING PROBLEM FOR LOW-INCOME GROUPS,
WITH SPECIAL REFERENCE TO THE CITY OF LUSAKA:
A SOCIO-LEGAL PERSPECTIVE

represents my own independent research and that
it has not previously been submitted for a
degree at this or any other University.

SIGNED:.....

SIGNED:.....

APPROVAL

This dissertation of PATRICK MATIBINI is approved as fulfilling part of the requirement for the award of the degree of Master of Laws at the University of Zambia.

Signed: *J. B. S. M.*.....

Date: *19/9/89*.....

Signed: *[Signature]*.....

Date: *23/10/89*.....

Signed: *[Signature]*.....

Date: *23/10/89*.....

Signed:.....

Date:.....

ACKNOWLEDGEMENTS

I am grateful to my Supervisor Dr. A.C. Mulimbwa for the invaluable assistance he rendered in eliminating errors from the first draft, and for his useful comments and suggestions. I am similarly grateful to Dr. M.L.M. Mbao for his critical appraisal of my research proposal. I also wish to give special thanks to I. Muuka, W. Ngandu, W. Chabuputa, C. Beyani, A. Chanda, P. Chamutangi, J. Zulu, F. Muwowo, G.K. Maka and B. Siame for the guidance and encouragement given in the course of this study. My special thanks also go to Ms. J. Phiri for accepting the onerous task of typing this dissertation.

LIST OF ABBREVIATIONS

ACDO	Assistant Community Development Officer
BSA Co	British South Africa Company
CDO	Community Development Officer
DBO	Direct Building Organization
DPD	Deputy Project Director
FINDECO	Financial Development Corporation
F and GP	Finance and General Purposes Committee
FNDP	First National Development Plan
GRZ	Government of Republic of Zambia
HPU	Housing Project Unit
IBRD	International Bank for Reconstruction and Development
LASF	Local Authorities Superannuation Fund
LCC	Lusaka City Council
MLGH	Ministry of Local Government and Housing
NERP	New Economic Recovery Programme
NIEC	National Import and Export Corporation
NCZ	Nitrogen Chemicals of Zambia
NHA	National Housing Authority
NRDC	Natural Resources Development College
PD	Project Director
SADCC	Southern Africa Development Co-ordinating Conference

SI	Statutory Instrument
SNDP	Second National Development Plan
TNDP	Third National Development Plan
UNIP	United National Independence Party
WPM	Weekly Progress Meeting
ZHDF	Zambia Housing Development Fund
ZSIC	Zambia State Insurance Corporation
ZNBS	Zambia National Building Society
ZNPF	Zambia National Provident Fund
ZIMCO	Zambia Industrial and Mining Corporation
ZESCO	Zambia Electricity Supply Corporation

TABLE OF STATUTES AND
STATUTORY INSTRUMENTS

LAWS OF ZAMBIA (REVISED EDITION)

1. Building Societies Act Chapter 708.
2. Building Societies Amendment Act No. 67 of 1970.
3. Defence Act Chapter 131.
4. Diplomatic Immunities and Privileges Act Chapter 36.
5. Housing (Statutory and Improvement Areas) Act Chapter 441.
6. Insurance Act Chapter 705.
7. Land (Conversion of Titles) Act Chapter 289.
8. Lands and Deeds Registry Act Chapter 287.
9. Local Authorities Superannuation Fund Act Chapter 476.
10. National Housing Authority Act Chapter 426.
11. Rent Act Chapter 438.
12. Stamp Duty Act Chapter 664.
13. Town and Country Planning Act Chapter 475.
14. Workmen's Compensation Act Chapter 509.
15. Zambia National Provident Fund Act Chapter 513.

STATUTORY INSTRUMENTS

16. Zambia National Provident Fund S.I No. 136 of 1974.
17. Zambia National Provident Fund S.I No. 134 of 1985.

NORTHERN RHODESIA ORDINANCE

18. Northern Rhodesia Housing Ordinance Chapter 234 of 1948.

TABLE OF CONTENTS

	<u>PAGE</u>
Dedication	i
Declaration	ii
Acknowledgements	iv
List of Abbreviations	v
Table of Statutes and Statutory Instruments	vii
Abstract	xi
 <u>CHAPTER ONE</u>	
 <u>INTRODUCTION</u>	
1.0 Statement of the Problem	1
 <u>CHAPTER TWO</u>	
 <u>HISTORICAL BACKGROUND</u>	
	12
2.0 Housing Tied to Employment	14
2.1 Unauthorized Settlements	16
2.2 Post-Independence Housing Strategies	16
2.3 Site and Service Schemes	17
2.4 Squatter Upgrading Programmes	20
2.5 Evaluation	21
 <u>CHAPTER THREE</u>	
 <u>LEGAL ASPECTS OF AIDED SELF-HELP HOUSING</u>	
	24
3.0 The Housing Act	24
3.1 Land Record Cards	25
3.2 Declaration	26
3.3 Statutory Housing Areas	30
3.4 Restriction on Grant of Plots (Statutory Housing Area)	30
3.5 Consent System (Statutory Housing Areas)	32
3.6 Building Standards (Statutory Housing Areas)	36
3.7 Improvement Areas	37
3.8 Restriction on Grant of Plots (Improvement Area)	39
3.9 Consent System (Improvement Area)	41
3.10 Building Standards (Improvement Areas)	42
3.11 Rights and Obligations of Licencees	42

	<u>PAGE</u>	
3.12	Rates	45
3.13	Penalties	46
3.14	Non-Application of Certain Enactments	47
3.15	Extent of Application	51
3.16	Evaluation	52
<u>CHAPTER FOUR</u>		
<u>HOUSING AND PLANNING</u>		56
4.0	Housing and Planning Inseparable	56
4.1	The Town and Country Planning Act	57
4.2	Doxiadis International Company Limited	63
4.3	Housing Needs	64
4.4	Public Participation	67
4.5	Evaluation	69
<u>CHAPTER FIVE</u>		
<u>MANAGEMENT OF AIDED SELF-HELP HOUSING</u>		74
5.0	Institutional Involvement	74
5.1	Institutional Involvement the case of Lusaka	77
5.2	Weekly Progress Meeting	80
5.3	Field Teams	81
5.4	External Co-ordinating Structures	82
5.5	The Interagency Co-ordinating Committee	83
5.6	The Administrative Committee on Land Matters	83
5.7	The Peri-Urban Section	84
5.8	Cost Recovery	85
5.9	The Collection System	86
5.10	Commitment	87
5.11	Evaluation	88
<u>CHAPTER SIX</u>		
<u>HOUSING FINANCE FOR THE LOW-INCOME GROUPS</u>		93
6.0	Background	93
6.1	Economic Implications of Housing Development	96
6.2	Housing and Financial Institutions	99
6.3	The National Housing Authority (NHA)	99

6.4	Organization Structure	102
6.5	Constraints	104
6.6	Nature of a Building Society	105
6.7	Zambia National Building Society (ZNBS)	106
6.8	Financial Institutions; Pension Funds and Insurance	111
6.9	Zambia National Provident Fund (ZNPf)	112
6.10	Benefits	114
6.11	Home Ownership Withdrawal Benefit	115
6.12	Workmen's Compensation Fund Control Board	119
6.13	Application of Fund	121
6.14	Local Authorities Superannuation Fund (LASF)	122
6.15	Application of Fund	123
6.16	Investment	124
6.17	Zambia State Insurance Corporation Ltd (ZSIC)	124
6.18	Premiums	125
6.19	Investments	125
6.20	Performance	126
6.21	Evaluation of the Existing Housing and Financial Institutions	127

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS 135

7.0	Housing Policies	135
7.1	The Housing Act	136
7.2	Housing and Planning	138
7.3	Management of Aided Self-Help Housing	139
7.4	Cost Recovery	139
7.5	Staffing	140
7.6	National Housing Policies	141
7.7	Site and Service Schemes	142
7.8	Land Delivery	143
7.9	Zambia Housing Development Fund Ltd	145

ABSTRACT

This study is intended to contribute to the debate on the urban housing problem for low-income groups in Zambia. Low-cost housing has always been considered a difficult problem, even an insoluble one. The numbers of persons to be housed increase annually while the cost of housing construction is increasing faster than incomes. During the last two decades, it has been realized that the Conventional solution; viz, rental housing is not appropriate. It is however now generally accepted that the nation's scarce resources cannot match the housing demand. Consequently, aided self-help housing is viewed as the viable alternative. This strategy aims at increasing the supply of building plots with basic supporting services. However, site and service schemes have not been able to accommodate all home seekers.

To this end, the President Dr. K.D. Kaunda in his 1975 "Watershed Speech" remarked as follows:

"...townships have sprung up virtually from nowhere in many cities and towns as well as in the country side. In the future, these will create immense social problems of which we already have enough. Therefore, from now onward, local authorities must see to it that no unauthorized buildings are erected within their areas of jurisdiction. You have the powers use them...".

However, notwithstanding policy pronouncements, and the enactment of Laws to prescribe the continued growth of unplanned settlements, the same continue to proliferate seemingly unabated. The basic theme of this dissertation is that the urban poor have in the main been left out of the Main Stream of legal housing. In the process, they are building houses, and establishing settlements where they can, largely illegally. This house building by the poor over-whelms the efforts of city administrators, planners, health and building authorities.

The term low-income group is not easy to define. The Third National Development Plan (TNDP 1979-1983) suggested the following monthly income categories:

- (a) very low-income group; K0 - 60 for rural areas and traditional huts outside the rural areas.
- (b) Low-income group K61 - K100 for house built on fully serviced site and serviced plots using permanent building materials;
- (c) Lower-Middle-Income group K101 - 160 for houses built on fully serviced site and serviced plots using permanent building materials;
- (d) Middle-Income group; K161 - 250 for Council-owned Conventional rental housing; and

- (e) Upper Middle-Income group K251 - 500 for
Conventional Medium cost housing.

Affordability levels was based on the proposals of the United Nations Commission on Human Settlements (UNCHS) which suggested monthly cost recoveries not exceeding 20 - 25 per cent of monthly incomes. At that time, (1981) K15.00 for the Low-income target to K25.00. These were considered side by side with the cost of constructing a one room house whose building materials were estimated at K800.00.

The effect of the Kwacha/US\$ relationship has also increased the incomes. The all-items low-income group consumer price index rose from 231.3 in 1981 to 738.9 in April, 1986, indicating an increase of 507.6 per cent. Using this increase, the following corresponding income groups were determined:

- (a) very low-income group: K100 - 220.
- (b) Lower-income group: K221 - 330.
- (c) Low-income group: K331 - 440.
- (d) Lower Middle-Income group K441 - 650.
- (e) Middle-Income group K650 +

The term low-income groups in the context of this dissertation is compatible with the first two categories. The average monthly incomes are also not only low but unreliable. It is further submitted that illiteracy is mostly prevalent amongst the very low-income groups. This factor may account to some extent for their lack of access to legal housing and housing finance.

It is hoped that this dissertation will highlight some of the salient factors that contribute to or cause the shortage of housing particularly for the low-income groups. Most of the information and views on which this dissertation is based was collected in Lusaka between September, 1985 and January 1988. During that period, the author was employed by the Lusaka Urban District Council as a Council Advocate cum Council Registrar of the Council's Deeds Registry on the Staff of the Legal Secretary. Some of the information contained in this dissertation was therefore, obtained by the method which is popularly referred to as participant observation. However, the opinions expressed are the author's own and should not in any way be considered or construed as reflections of official council thinking.

This dissertation is organized as follows:
Chapter One introduces the urban housing problem. It discusses the problem generally in the context of the regional, continental and global housing problem.

Chapter Two offers a general historical background of the housing problem. The chapter briefly traces the establishment and growth of some of the present major urban centres. The chapter also discusses the housing policies pursued by the colonial government and the measures taken and laws enacted to ensure compliance with the policies. Further, the origins and nature of the unauthorised settlements are discussed. In addition, there is a discussion of the housing strategies adopted by the Independent government. In this regard the chapter notes the shift of policy from rental housing to aided self-help housing. In this connection, emphasis was placed on development of site and service scheme and squatter upgrading programmes.

Chapter Three is an examination of the Legal Aspects of Aided Self-help housing. Although the site and service schemes were initiated in the immediate post-independence era, it was not until 1974, that

a legal framework was provided in the form of the Housing (Statutory and Improvement Areas) Act, Chapter 441 of the Laws of Zambia. The chapter discusses some of the salient provisions and the general administration of the Act.

Chapter four is on housing and planning. It is the basic theme of the Chapter that housing and planning are inseparable. It is argued, that one of the major contributing factors to the proliferation of unauthorized settlements is that the authorities are not planning for the absorption of the rapidly growing urban population. It is submitted that one of the major element in this absorption process, is the allocation of land for housing development for especially the low-income groups.

Chapter five, addresses itself to the question of management of aided self-help housing. The chapter explores the management implications of the site and service schemes and squatter upgrading approaches. The Chapter notes the fact that institutional involvement has by and large become an integral part of housing for the low-income groups. The chapter underscores the importance of identifying the structural organization of

modifications which are necessary to design, implement and manage low-income housing.

Chapter six, is on housing finance for the low-income groups. The chapter notes the fact that, although provision of adequate shelter for all has since the First National Development Plan (FNDP) 1964-1968) been included in the National Development Plans, financial resources remains one of the crucial constraints in attaining that goal. The financial constraint results not only from insufficient resource mobilization but also from uneven allocation of resources. Presently, only high-income and middle-income households have access to conventional housing finance on affordable terms. This failure to provide finance for housing to low-income groups even extends to government agencies and financial institutions which have been set up for that very purpose. The chapter examines the major housing and financial institutions which have the potential of contributing to the provision of finance for low-income groups.

Finally, chapter seven consists of conclusions and makes specific recommendations regarding national housing policy, the future of aided self-help housing, cost recovery, land delivery, and the proposed Zambia Housing Development Limited.

CHAPTER ONE

INTRODUCTION

1.0 STATEMENT OF THE PROBLEM

Among the major urban problems in developing countries is the provision of adequate and affordable housing to the low-income groups. This has been on the agenda of many international conferences and workshops over the past two decades. The site and service schemes and the squatter upgrading housing strategies have been adopted and experimented in many countries of Asia, Africa, Latin America and the Middle East. Zambia is one such country. These housing strategies are seen by most housing experts and national governments as the most cost-effective and realistic approaches to housing for the low-income groups.

The housing problem for the low-income groups in Zambia has its origins in the country's political and socio-economic history. Prior to the colonial era, that part of Africa which has hitherto come to be known as Zambia, was entirely rural.

The present urban areas of Zambia, were created by the European colonists for their own purposes as industrial, mining, commercial and administrative centres. The colonial authorities dictated the terms on which the African population was able to participate in the urbanisation process.¹ The colonial government's housing policy was tied to employment. Rent-free housing was provided for men only, with the intention that the period of urban residence would be short and that wives and children would remain in rural areas. Consequently, this policy left out the housing needs of the self-employed and unemployed, who resorted to self-help schemes by constructing their own settlements at the peripheries of municipal boundaries, using pole and dagga and sun-backed bricks and an occasional stand-pipe and for sanitation used pit latrines.²

However, in the post-war years, as part of the policy to stabilize the African labour force in the urban areas, some measures were taken to improve African housing conditions. It must be noted that at this point in time, there was no specific requirement that local authorities should provide rental housing to Africans.

Therefore, the most important piece of legislation pertaining to housing during this period was the African Housing Ordinance of 1948. This ordinance established African Housing Areas. Local authorities were explicitly made responsible for providing or paying for accommodation for their workers. Although employers were now responsible for providing housing, they simply paid their employees a meagre allowance with which to accommodate themselves in lieu of meeting the costs of building houses for their workers. ³

In the pre-independence period, settlements were in the main of two types; first, there those settlements developed on private land with the landlord's permission. In this instance, European landlords, subdivided small plots on which Africans built their own huts and paid rent to the landlords. Although these huts were not authorised in the sense that they did not comply with official building regulations and town plans, their occupants were not squatters in the strict sense of the word, as they occupied the land with the consent of the landlords. Secondly, there were squatters properly so called. They had seized and subdivided crown or private land without the consent of the owners. Further, their

buildings were not in conformity with official building regulations and town plans.⁴ There were two main responses by public authorities to the problem of squatting. First, they sent in bulldozers to demolish the illegal structures but made no provision for rehousing. However, this measure failed to completely deal with the problem. Most of the squatters simply moved elsewhere. Secondly, the authorities developed a gracious approach turning a blind eye to the phenomenon, but at the same time withholding municipal services in the hope that if the conditions worsened, the settlements would fail to attract new settlers and the flow would come to a halt. However, instead, there was a proliferation of squatter settlements.

In the immediate post-colonial period, the government adopted the policy of contractor-built rental units. In 1965, the government announced an official housing programme. The objective of the plan was to construct as many units of accommodation as possible each year from the funds available. In this regard, a minimum of 6,000 units per annum was planned for a period of five years. However, it soon became clear that the nation's resources could not

sustain the construction of the number of housing units required for rental housing. It must be noted that the first official housing programme contained a provision that 30 per cent of all new housing units should be in the form of site and service plots on which the tenant could build his own house. This approach was expected to increase the number of housing units.

The primary objectives of the site and service housing strategy, is to increase the number of building plots with basic supporting services such as water, roads, storm drainage, and community services. To this end, Local authorities were instructed to provide sufficient planned and serviced plots and to bring infrastructure and services to squatter areas so as to consolidate existing self-housing investment.⁵

In the First National Development Plan (FNDP 1966-1970), the government pledged itself to the provision of more and better living accommodation as a requisite ingredient of a 'better standard of living. The government, further, acknowledged the fact that if the housing policy of building only a small number of high standard houses were followed there would be a large increase in

the number of unofficial townships with the attendant public health and social hazards, as well as growing dissatisfaction amongst the large number of employed, part-employed and unemployed who would feel isolated from the economic progress of the country.⁶

Prior to the publication of the second National Development Plan, (SNDP 1972-1976) unauthorised settlements were considered temporary housing units. Government's policy prior to the SNDP was to provide as many housing units as possible. However, at the time of formulating the SNDP, there was growing awareness of the rapid growth of the squatter settlements and concern was shown for their inhabitants.

A new climate of opinion developed. Upgrading of squatter settlements was generally considered the best approach to adopt. Consequently, the government acknowledged the fact that although squatter areas were unplanned, they nevertheless represented assets both in social and financial terms. The areas required planning and services and the wholesale demolition of good and bad houses alike was not a practical solution.⁷ It was proposed in the SNDP that government investment in

housing should take the form of providing components rather than the supply of assemblies of packaged and ready-to-occupy housing. Most commonly, this was to be done by providing roads and transportation, opening up land for settlements or by draining land, providing a water supply electricity or complementary social and community services such as fire and police protection, health services and schools.⁸ Such an approach is likely to generate more investment.

The official regularisation of unauthorized settlements in the SNDP, was followed by the conferring of security of tenure to the tenants and occupants in site and service scheme and upgraded squatter settlements respectively. This was achieved through the enactment of the Housing (Statutory and Improvement Areas) Act of 1974.⁹ In addition, to regularising tenure, the Act introduced a simplified system of Land Law for areas to which the Act applies. For instance, all dealings in Land covered by the Act are registrable not with the Lands and Deeds Registry, under the Ministry of Lands, Water and Natural Resources, but at the District Council Deeds Registry, as and where they are established. Further, the Act controls every basic kind of dealing in land. The ultimate objective is to make land transactions in

these areas as easy, affordable and time-saving as possible, but at the same time retaining the benefits of the system of registration.

It must be noted that the policy of squatter upgrading itself does not countenance the unabated growth of squatter settlements, but rather the regularisation and official acceptance of the existing squatter settlements at the time of the application of the Act to a settlement. For this reason, the Housing Act, ¹⁰ and the Land (Conversion of Titles) Act, make it an offence and proscribes erection of any building or occupation of land without lawful authority. Notwithstanding the foregoing laws, the mushrooming of large unplanned settlements continues to be one of our most pressing social and economic problems.

The provision of low-income housing is likely to remain a major challenge for sometime to come. There is currently, a huge backlog in the provision of housing. The demand for housing is ever increasing and the resources remain limited. The available statistics show the extent of the housing problem. The 1980 population and housing census of Zambia, revealed that housing development in the country was

lagging behind the population growth. Housing units increased by 28.9 per cent annually during the inter-censal period (1969-1980). Over the same period population increased by 42.5 per cent at the rate of 3.3 per cent per annum. Similarly, the number of households increased by 31.8 per cent.¹¹ This discrepancy between available housing and the population dynamics, is reflected by the growth of large unplanned settlements.

Finally, some of the key factors underlying the problem may be summarized as follows:¹²

(a) The supply of adequate housing needed to overcome present deficits to provide for future growth in the population and to replace or renew obsolete structures is far beyond the productive capacity of the public agencies involved in housing. Worse still, as existing structures fail to cope, population densities quickly build up in existing housing stock, leading to rapid deterioration and almost an insatiable demand for more and better housing.

(b) The sheer magnitude of unmet needs coupled with rising expectations, frustrations, and construction costs virtually rule out the possibility of providing adequate shelter in the foreseeable future.

(c) The widening chasm between declaration of intent and actual achievement as demonstrated by public declarations in favour of meeting the housing needs of the urban poor while actual investments have been towards the middle and high income groups;

(d) As a long-term investment yielding a low-rate of return housing is at a disadvantage in a system that offer opportunities for quick profits.

(e) Because housing is locational the housing problem also incorporates complicated interests around the construction of dwellings, who builds and who benefits.

FOOTNOTES

1. Collins, J., The Evolution of Urban Housing Policies in Zambia. Msc Thesis Columbia University, 1970 (unpublished) p.10.
2. Mbao, M.L.M., Legal Aspects of Housing in Zambia with particular reference to Housing for Low-income groups A paper presented to the University of York for Centre for Southern African Studies Research in Progress Conference 24th-26th March, 1987.
3. Mbao, M.L.M., ibid. p.6
4. Seymour, T., Squatters, Migrants and the Urban Poor D. Phil Thesis, Sussex University, 1976 (unpublished) p.22.
5. Ministry of Local Government and Housing Press Release, Lusaka 7th April, 1965.
6. Office of National Development Planning, First National Development Plan (1966-1970) Lusaka, Government Printer.
7. Ministry of Development Planning and National Guidance, Second National Development Plan (1972-1976) Lusaka, Government Printer.
8. Turner, J.F.C. Future Directions in Housing Policies University College, London, 1985.
9. Chapter 441 of the Laws of Zambia.
10. SS.44 of Chapter 441 of the Laws of Zambia.
11. Chisanga, B., Site and Service Schemes; Most Effective Housing Plan. Zambia Daily Mail, 28th January, 1987. p.3.
12. Mbao, M.L.M, op. cit, p.2.

CHAPTER TWO

HISTORICAL BACKGROUND

The first towns or urban areas in Zambia were created by the British South Africa Company (B.S.C. Co) at the beginning of this century. These settlements were initially established at Broken Hill (now Kabwe) and Livingstone. The discovery of copper ore in the present Copperbelt Province and the development of agriculture mainly along the line of rail resulted in the emergence of more settlements. For instance, the present City of Ndola was established in 1924 as a commercial centre and Kitwe was founded in 1935 for European employees. The European's view was that the town centres were to be the preserve of whites only and Africans were allowed to live in town centres if they were domestic servants for the whites. Therefore, the colonial government initially permitted limited African immigrants to the urban areas. In this regard, only males were allowed to reside in urban areas for short periods. The few that were permitted in urban centres provided cheap labour for especially the mines. Consequently, a migrant labour system was created by which only able-bodied men were enlisted.

In addition to the Migrant Labour System, the colonial authorities introduced poll and hut tax. Consequently, thousands of villagers were forced to leave their homes and look for employment out of which they earned cash to pay the tax. Although the intention of the tax was primarily to pay for the administration of the territory, in its implementation it had the effect of compelling men to work in the wage sector to meet tax liabilities.

For instance, at Kasempa, in North Western Province, tax was doubled in 1909, partly to increase the supply of labour to the nearby mine which suffered from acute labour shortage.¹ Industrialisation without urbanisation was the policy of the colonial government.² In view of the fact that the stay of the immigrants Labourers was considered transitory, the Colonial government had no housing policy for African Labourers. They lived in the squalor of labour camps without their families.

However, as mines and industries expanded the Labour camps grew until they became menacing enough to command the attention of the colonial government. Thus in 1913, provision was made for the establishment of Local authorities which were made responsible for the administration of African housing areas.³ It must be

noted that the system universally followed until the thirties, was for the Local authorities to provide plots for which Africans paid ground rent.

The tenants were responsible for erecting their own houses. Although legislation was introduced in the late twenties which reformed the system of Local government, it does not seem that Local authorities began to provide their own housing until the middle of the next decade.⁴

2.0 HOUSING TIED TO EMPLOYMENT

Under the native Labour regulations of 1928, employers were made legally responsible for either supplying their workers with accommodation or with rent money in lieu.⁵ As a result employers built houses for their African employees in what came to be known as 'Locations' and 'African Suburbs'. Although this idea of African Locations improved the housing situation, it was nevertheless unsatisfactory. Only a small proportion of Africans were provided housing with almost no facilities. In contrast the houses for Europeans were not, only of substantial value, and high architectural quality, but were sited on planned layouts of individual large plots with spacious gardens and servants quarters within the plots.

The vast majority of houses built during the thirties and early forties can be classed as temporary or semi-permanent. It was also part of the colonial government's general policy of refusing to commit itself on the stabilization issue.⁶ However, in 1944, the Eccles Report, brought the colonial government face to face with the gigantic size of the problem to be tackled. Not only were there a vast number of inadequate houses to be replaced, but also the urban population was expanding all the time.⁷ In the post-war years, as part of the policy to stabilise the African Labour force in the urban areas, some measures were taken to improve African housing conditions. It must be noted that there was no specific requirement that local authorities should provide housing for renting to Africans until 1948, although several of them had done so since the 1930's.

The most important piece of legislation relating to housing during this period was the Urban African Housing Ordinance 1948. This ordinance established African Housing Areas. Under the ordinance, local authorities were made explicitly responsible for providing or paying for accommodation. Notwithstanding the provisions of the ordinance, many employers devised ways and means

of avoiding their obligations under the ordinance. For instance, many simply paid their workers a meagre allowance with which to accommodate themselves, instead of meeting the costs of building houses for their workers.

2.1 UNAUTHORIZED SETTLEMENTS

During the 1950's the continued shortage of housing in the urban areas led the African population to turn to settlements on privately owned land in the vicinity of the major towns.⁸ These settlements evolved into permanent communities and came to be known as unauthorized compounds. Attempts to demolish these settlements failed. The settlements continued to attract new settlers.

2.2 POST-INDEPENDENCE HOUSING STRATEGIES

At Independence, the government inherited a situation of excess demand for low-income housing, with a burgeoning squatter population which later grew very rapidly. Government policy came to be based on the premises that, squatter settlements were only temporary and that all low-income households were to be housed in site and service accommodation and council housing.⁹

There was, therefore, deliberate efforts to prevent the establishment of new squatter settlements. The government adopted a rental housing policy. In this regard, an official housing programme was announced in 1965. The objective of the plan was to construct as many units of accommodation as possible. The FNDP (1966-1970) placed emphasis on the provision of low-cost houses for rent by local authorities. Under this plan government allocated K8.4 million each year for low-cost housing. This represented an increase in capital expenditure on low-cost housing. Notwithstanding the increase in capital expenditure, the demand for housing exceeded by far, available housing. It soon became clear that the nation's resources could not sustain rental housing. The inability of the formal housing sector to accommodate all home seekers underscored the viability of aided self-help housing as an alternative strategy. It must be noted that the FNDP provided that 30 per cent of all new housing units should be in the form of site and service plots. The site and service housing strategy was expected to increase the number of housing unit.

2.3 SITE AND SERVICE SCHEMES

The primary objectives of the site and service housing strategy is to provide building plots with supporting services. The site and service housing strategy has

the following advantages;¹⁰

- (a) a greatly increased supply of building plots with urban infrastructure and services.
- (b) creation of new townships with more efficient urban development patterns.
- (c) much better physical living conditions than are available in squatter settlements.
- (d) increased scope for self-help construction providing dwellings at minimum cost while stimulating non-monetary savings and income.
- (e) security of tenure and a basis for community development.
- (f) a better general environment.

Site and service schemes in Zambia have been of two types. "Fully Serviced" Schemes and "Basic" Schemes. Fully-Serviced Schemes have individual water and water-borne sewage connections to each plot. Basic schemes have communal water connections. The beginnings of site and service schemes in Lusaka could be traced through several schemes which had been experimented with. The first was New Kanyama in 1963. The scheme was conceived as a "temporary resettlement area" for those without accommodation. It was anticipated that the Local Authority would

subsequently, provide rental housing. As a result, the services provided were rudimentary. Subsequently, the then Lusaka City Council (LCC) recognized the area in 1970 as a permanent development and upgraded the roads and other community facilities. After New Kanyama, the Marrapodi-Mandevu Scheme was launched. The Scheme was intended to re-house squatters. Similarly, Mtendere was established in 1967 as an emergency settlement for the residents in Chaisa (now declared as an Improvement Area). In 1969, the government commissioned consultants to prepare a plan for the settlement of squatters. The first such scheme was Kaunda Square Stage I, developed in 1969. Subsequently, two other schemes were developed - Chunga and Kaunda Square Stage II. The site and service housing strategy was given an impetus in 1975 following the release of huge loans to the national governments of developing countries by the World Bank, specifically for housing the urban poor. Zambia obtained K26 million for its Lusaka Site and Service and Squatter upgrading programme. This resulted in inter alia, the establishment of site and service schemes at Kamwala/Kabwata, Kabanana, Matero East, Emmasdale and Lilanda. These site and service schemes were intended to accommodate low-income groups.

2.4 SQUATTER UPGRADING PROGRAMME

Prior to the publication of the second national Development Plan, (SNDP 1972-1976) squatter settlements were considered temporary housing units. As earlier noted, government's policy prior to the SNDP, was to provide as many housing units as possible. However, the SNDP accepted squatter upgrading programmes as a model for dealing with shelter needs of low-income urban dwellers. It was also clear that the site and service schemes were not able to contain the rapid growth of settlements. Therefore, squatter upgrading was considered a necessary supplementary housing strategy. Although the government had accepted squatter upgrading as a model for dealing with the shelter needs of low-income urban dwellers, the source of money was not determined at the time. Lack of foreign exchange during the plan period was anticipated. Fortunately, the International Bank for Reconstruction and Development, (IBRD) or the World Bank indicated their interest in financing parts of the housing programme in Lusaka in view of what it considered to be an enlightened policy. Consequently, a loan application to the Bank was made in July, 1973. In this regard, the project for squatter upgrading was designed to improve the four major settlements, viz, Chaisa, Chawama, George and Chipata, with a population

of about 150,000.¹¹ The programme was to provide basic amenities such as (a) all weather roads, (b) water supply, (c) security lighting (d) clinics (e) Schools (f) Community Centres and (g) small loans for house construction and improvement. It must be noted that the most significant 'upgrading' measure is the conferring of land rights on squatters or those living on illegally subdivided land thereby giving them security of tenure.¹² This measure, removes the old fear of demolition and hence the residents are much more willing to invest their own resources in their houses. The upgrading exercise is much a social as it is a physical activity. Another significant aspect of squatter upgrading is that continuous improvement should be allowed.

2.5 EVALUATION

The SNDP aimed to increase the number of housing units through the site and service housing strategy. It is important to note that experience with site and service schemes has proved that they are not comprehensive solutions. It is clear that site and service schemes cannot be expected to cater for the lowest income groups, whose precarious livelihood render them extremely weak economically and inflexible in terms of location. Therefore,

presently, site and service schemes are addressed to a fairly large middle income group. As regards squatter's settlements, it is now clear that the government has accepted that far from being illegal and breeding grounds for criminals, squatter settlements consist of ordinary people able and willing to play their part in urban and industrial development. However, the upgrading exercise has been subjected to criticisms. It is argued that the upgrading process is mainly an environmental exercise. It is further argued that there is a tendency to emphasize on the provision of infrastructural facilities at the expense of improvement of houses in such areas. Further, it must be noted that the upgrading of areas is purely remedial and does not cater for future growth. Therefore, the policy should not be conceived as an acceptance of the unabated growth of squatter settlements, but rather the regularisation of the existing settlement at the time of the declaration of a particular settlement.

FOOTNOTES

1. Heisler, H., Urbanisation and the Government of Migration, 1974 p.37.
2. Knauder, S., Shacks and Mansions; An Analysis of the Integrated Housing Policy in Zambia, Lusaka, Zambia, 1982, p.13.
3. Wincott, N., Some Aspects of the Growth and Development of An African Urban Society in Zambia, (Bachelor of Letters Thesis Oxford, 1968 p.128.
4. Wincott, N., ibid., p.129
5. Native Affairs Reports, 1928 p.28.
6. Wincott, N., op. cit, p.131
7. Wincott, N., Ibid. p. 131
8. Ndulo, M.C. An Analysis of a Low-Income Housing Market in Urban Zambia Ph.D Thesis Michigan State University, 1983 p.29.
9. Ndulo, M.C. Ibid., p.30.
10. Swain, P.J., Wagelin, EA, Panchee, K., Management of Site and Service Housing Scheme, New York, 1983. p.2.
11. Martin, R., Lusaka Squatters are Licenced in Geographical Magazine 48(81) May 1978, p.475-77.
12. Mc Auslan, P., Urban Land and Shelter for the Poor 1985, p.59.

CHAPTER THREE

LEGAL ASPECTS OF AIDED SELF-HELP HOUSING

3.0 THE HOUSING ACT

Although the policies of site and service schemes and squatter upgrading were initiated shortly after Independence, it was not until 1974 that a law was enacted - the Housing (Statutory and Improvement Areas) Act (hereinafter referred to as the "Housing Act") to provide the legal regime within which various housing policies particularly for the low-income groups would be realized. The official regularisation of unauthorized settlement in the SNDP, and the shift in emphasis towards the provision of more site and service plots, may be said to be among the major factors which influenced the passage of the Housing Act. These policies were developed out of the realisation that the colonial housing policies viz; rental housing and housing tied to employment were inadequate to absorb the influx of people from rural areas, for the reasons that in the case of the former, that is rental housing, an enormous sum of money would be required if the construction was to keep pace with immigration; and in the case of the latter, that is employer housing, the duty of the employer to provide housing to his workers

had been denuded by the proviso to pay a monetary allowance instead of housing.¹ Post-Independence housing policy reveals the fact that site and service schemes and squatter upgrading programmes were preferred to rental housing for financial reasons.

3.1 LAND RECORD CARDS

It must be noted that prior to the enactment of the Housing Act local authorities issued Land Record Cards to the tenants in the site and service schemes. The Land Record Cards evidenced title to land. The cards also represented an agreement entered into between a tenant and the local authority having jurisdiction over the land in question. The agreement entitles a tenant to occupy a parcel or piece of land for a minimum period of ten years, with provision for renewal if the conditions of the agreement are not breached. Holders of the cards undertake to pay rent and use the premises as dwelling house. Currently, notwithstanding, the enactment of the Housing Act, the cards are used as stop-gap documents before declaration of a site and service scheme as a Statutory Housing Area. The legal status of the cards has been explained by the High Court in the case of the Municipal Council of Luanshya v. Daka.² Gardner J. held that the interest created was that of a monthly tenancy. It is assumed that the judge premised his decision on the fact that tenants paid rent monthly. Professor M.P. Mvunga has

criticized the judgment arguing, quite rightly, that the test by which rent is payable is only applicable where there is no express provision as to the duration of the lease. ³

3.2 DECLARATION

It has been noted that the site and service scheme and squatter upgrading programmes are the two housing strategies adopted by the government to tackle the problem of housing for the low-income groups. The Housing Act provides for the declaration of a site and service scheme and a squatter upgrading area as a statutory Housing Area and improvement area respectively. There are two conditions precedent to any such declaration. First, the area must be held by the Council in fee simple or leasehold from the State. However, all land previously held in fee simple has by the Land (Conversion of Titles) Act ⁵ been converted into Statutory Leaseholds for a maximum term of 100 years. Secondly, the Local Authorities under whose jurisdiction the area falls, must prepare a statutory Housing Area Plan or an Improvement Area Plan. The Plan which should be approved by the Surveyor General, should be deposited by the Council with the Surveyor General, the Commissioner of Lands and

the Registrar of Lands and Deeds. The plan must show the following: The name and description by which the area is known or is to be known. The existing roads, if any; the roads proposed to be constructed; the existing areas for common user and the area and dimensions of each piece or parcel of land identified by a serial number.⁶

It has been pointed out ⁷ that since the details required in the plans are the same for both statutory Housing Areas and Improvement Areas, it is not clear what criteria the Minister uses in declaring an area to be one or the other. Although the Housing Act is silent on this matter, in the Parliamentary debate introducing the bill, the then Minister for Local Government and Housing explained that squatter compounds will be referred to as Improvement Areas and Site and Service Schemes will be referred to as Statutory Housing Areas.⁸ Subsequently, the same Minister clarified the criteria to apply. Council housing estates or any other fully-serviced areas should be declared statutory Housing Areas, and upgraded areas or partially-serviced areas should be declared Improvement Areas. It has been argued that the

test seems to be the extent to which an area is provided with services.⁹ It is submitted that although the details required in the plans are substantially similar, the vital difference lies in paragraphs (f) of both S.4(2) (declaration of Statutory Housing Area) and S.37(2) (declaration of an Improvement Area). On one hand, S.42(2)(f) refers to the area and dimensions of each piece or parcel of Land. On the other hand, S.37(2)(f) refers to the location of each building identified by a serial number. The following is the practical implication of this distinction. In the case of Statutory Housing Areas, Council certificates of title are issued. The certificate show the area and dimensions of each piece or parcel of land through the use of a sketch plan. An occupancy licence which is issued to occupants in Improvement Areas, does not show the dimensions or area of the piece or parcel of land. The licence relates to the land under and immediately surrounding the house which is identified simply by giving it a serial number on aerial photography.¹⁰ It should be emphasized that site and service schemes are planned housing developments. Improvement Areas are not. They are formally squatter settlements.

Therefore, the Housing Act, by this distinction avoids, the impossible task of dividing the land up into little parcels by means of ground survey and a very light load falls upon the Council as far as the original definition of the property is concerned.¹¹

Further, it has been observed elsewhere in this dissertation that site and service schemes are of two types: fully-serviced schemes such as Kamwala/Kabwata, Emmasdale, Matero East, to mention but three, and basic schemes, like Kaunda Square Stage I. Notwithstanding, the difference in the level of servicing, all of them have been declared as Statutory Housing Areas.

Contrary to what has been argued,¹² Council has not restricted the declaration to its housing estates. In fact, the majority of the site and service schemes have been declared as Statutory Housing Areas. The following site and service schemes have been declared to date: Kamwala/Kabwata, Kabanana, Emmasdale, Matero East, Kaunda Square Stages I and II, and Chawama West. Mandevu/Marrapodi Site and Service Schemes have not been declared as Statutory Housing Areas. They have not been declared mainly because the original layouts have either been distorted by illegal extensions or by illegal creation of plots in reserved open spaces. This has made ground survey a difficult task. This problem is compounded by a critical shortage of land surveyors on the establishment of the Council.

3.3 STATUTORY HOUSING AREAS

The Housing Act provides for two types of interests in land, namely; (a) leasehold in areas declared as statutory Housing Areas and; (b) occupancy licences issued to occupants in areas declared as Improvement Areas.

Thus, in Statutory Housing Areas, ¹³ Council issues Council Certificates of title. The lease entered into between a tenant and the Council is for a period of 99 years. At the expiration of this period, the lease may be renewed if the covenants of the lease have not been breached. The following are some of the salient covenants of the lease. The lessee covenants with the lessor to pay rent, rates and not to assign or sublet without the consent of the Council in whose jurisdiction such land is situated.

3.4 RESTRICTION ON GRANTS OF PLOTS (STATUTORY HOUSING AREAS)

Local authorities are restricted to granting one piece or parcel of land to one person in a Statutory Housing Area. ¹⁴ It is obvious that this provision aims at controlling the amount of land that any person can own. The rationale for this provision seems to be to

prevent concentration of urban land in a rich minority and to prevent people from prospecting in these areas. Further, the proviso ¹⁵ limits such one piece or parcel of land for use and occupation by an individual or his bona fide dependants. It prohibits letting to any person engaged in the business of buying, selling, letting, developing or in any way dealing in immovable property.

Even prior to the passing of the Housing Act, the government had been concerned with speculations in site and service schemes. The government's view as early as 1966, has been that if speculation was permitted in site and service areas, there would emerge a class of landlords whose aim will be profiteering and exploiting the unwary masses. ¹⁶ This view, was restated in June, 1975 when President Kaunda quoted the 1972 Kabwe declaration where he stated that in future no individuals will be allowed to build houses for rent and reiterated that "time was nigh for landlords to start phasing themselves out of this business." ¹⁷ Further, President Kaunda, in June, 1975 banned real estate agencies, housing loans for expatriates or building society loans for house construction except for personal occupation and announced strict control over land transfers.

However, it has been argued,¹⁸ and rightly so, that the argument is rather weak when applied to statutory Housing Areas, because the restriction against grants of more than one parcel does not apply to employers who may wish to house their employees.¹⁹ Further, a ban on joint holding, which is permitted by the Housing Act,²⁰ in Statutory Housing Areas would not only be in line with the housing policies, but also the letter and spirit of the Housing Act.

It is worth noting that, most of the site and service schemes have been declared long after they have been developed. Prior to declaration, no steps seem to have been taken to brief the tenants about the consequences of declaration. Consequently, it is not unusual for one to hold more than one piece of land. To date, Council has not taken measures to repossess plots from persons holding more than one.

3.5 CONSENT SYSTEM (STATUTORY HOUSING AREA)

Most countries have abandoned the neutral role in land transactions. They have all realised that if they are to implement an urban land policy there is need to control land transactions. Their motives have varied.

England and Australia for instance, developed systems of title (right to ownership of property) registration in the 19th century to overcome costs, complexities and delays of what was known as "private conveyancing" - the system of transferring land in which private lawyers held most deeds and made large sums of money investigating the title of the land.²¹

In the case of Zambia, the first major policy was published in 1967, a month after the report of the Land Commission.²² The report stressed two important land problems;

- (a) the failure to exploit land particularly by absentee land owners; and
- (b) the dangers inherent in the commercialization of land which President Kaunda referred to as the "price-tag phenomenon".²³

The following year in a second major economic policy speech, the President announced the Mulungushi economic reforms. The specific land reforms were that:

- (a) all land should be vested in the President of the Republic of Zambia;
- (b) all land held under freehold should be converted into leasehold tenure for a maximum period of 100 years;

- (c) land under customary tenure should not be converted into leasehold; and
- (d) reforms should be directed at improvement of the use of agricultural land.²⁴

The period between 1970 to 1975 saw the evolution of legislation which aimed at increasing State Control of land transactions. The following Acts may be cited as examples;

- (a) The National Housing Authority Act, 1971
- (b) The Landlord and Tenant (Business Premises) Act 1971
- (c) The Rent Act, 1972
- (d) The Housing (Statutory and Improvement Areas) Act 1974; and
- (e) The Land (Conversion of titles) Act 1975.

In relation to low-income housing, the Housing Act provides that no document purporting to transfer, deal in or affect any land shall be registered unless the Council in whose jurisdiction such land is situated has signified its consent or is a party to the transaction.²⁵ At the time of enactment of the Housing Act, no like restriction was placed on other land transfers. However, the 1975 land (conversion of titles) Act extended the consent principle to all land in Zambia (with the probable exception of

customary land holdings).²⁶ It has been questioned whether or not it was the intention of the Legislature to impose a double burden on the former squatter or site and service tenant in acquiring the requisite consent. This is because the effect of the two Acts makes it necessary to obtain both the consent of the Local Authority and the President. This apparent duplicity was rectified by delegating the functions of the President under the Land (Conversion of Titles) Act, 1975 in respect of Lands comprised in any Statutory and Improvement Areas Act 1974 to the Council within whose Jurisdiction such area lies.²⁷

Although local authorities have been given a great deal of latitude in the formulation and enforcement of various housing policies for especially the urban poor through the use of the consent principle, this latitude has been used rather sparingly. One explanation may lie in the fact that site and service schemes are complex in their social, economic and financial structures. The kind of comprehensive analyses and monitoring required in the design and implementation of site and service schemes make heavy demands on an agency's scarce specialist personnel.²⁸ In practice, the Lusaka Urban District Council concerns itself with the fact that parties

transact on the basis of the Council's valuation. Even then, much delay is occasioned in the granting of consents because of a critical shortage of valuation surveyors and transport.

3.6 BUILDING STANDARDS (STATUTORY HOUSING AREAS)

The Housing Act provides that every building erected and every improvement effected on any land shall be in accordance with specifications approved by National Housing Authority (NHA) or by the Council in whose jurisdiction such land is situated.²⁹ This provision sharply contrasts with the Building Standards set out by the Public Health Act,³⁰ which prescribes in detail, requirements of building and the minimum area of every habitable room. Foundations and floors, too, must be made of concrete stone or other materials approved by local authorities. It is submitted that the building regulations, as contained in the Public Health Act, are not only out of date but are also full of unnecessary technicalities. It is argued, that detailed building codes are required in the commercial sector to keep architects and contractors from cutting corners and endangering the public. But in the Third World, most new housing is built by households, individual

artisans or small informal building firms.³¹ It is submitted, that site and service areas require different codes to ensure that basic health and safety standards are maintained. According to Saad Yahya of the Faculty of Architecture, Design and Development of the University of Nairobi, "a useful code must be technically feasible, economic, easily understood, responsive to the needs of the poor, compatible with traditional skills, easy to administer, enforceable and consistent with national development".³²

In practice, in the early site and service schemes, the then Lusaka City Council (LCC) designed prototype houses. Plans for these houses were then made available to tenants. In some site and service areas, this function was also performed by the NHA. However, in the recent past, there has been a tendency to design and construct houses of high value. This trend may be a consequence of the invasion of site and service areas by the middle and upper income groups.

3.7 IMPROVEMENT AREAS

Occupants of land in improvement areas are granted occupancy licences for a period of 30 years. It must be

noted from the outset that the licence does not create an interest in land. The Housing Act provides that the holder of an occupancy licence has such rights and obligations as prescribed.³³ However, Professor McLain has suggested that in fact what was intended was a lease and the terminology used could have been the result of hasty drafting.³⁴ In support, of this conclusion, he argues that, there seems little justification for treating the former squatter differently from the site and service tenant in terms of the rights which each should have over the land he occupies. Each invests money and labour in the land he occupies.³⁵

At common law, a licence merely confers a right making that lawful which without it would be unlawful and it is thus distinguished from a lease which creates a legal estate in land.³⁶ However, resort to common law in aid of interpretation is unnecessary as under the seventh covenant of the occupancy licence the licence confers no tenancy upon the occupant, and the possession of the premises still remains in the local authority.³⁷ As an incentive to housing development, the 99 year lease offered in Statutory Housing Areas is preferable to the 30 year occupancy licence granted in Improvement Areas.³⁸

For instance, the Zambia National Building Society (ZNBS), the major housing financier, is by the Building Societies Act, ³⁹ compelled to make advances on the Security of a Mortgage of leasehold estate. ⁴⁰ Therefore, any person offering a licence as security to the ZNBS will be unsuccessful. If the ZNBS was to accept the licence as security for a mortgage it would be ultra vires the Building Society's Act.

Further, the position of the licensee is even less enviable, as licences confer no tenancy upon the occupant and possession of the premises is retained by the Council who have a right at any time to enter upon the said Lands and inspect buildings or instal or erect any works thereon which the Council deems to be in the general interest of the Improvement Area or its occupants. ⁴¹ Admittedly, this covenant has the effect of depriving the licensee of security of tenure. However, this provision is well intended. Improvement Areas are by their nature unplanned. In the course of improving these areas, Council may deem it fit to order the removal of certain dwelling houses to facilitate such construction works. In practice, such measures are always carefully executed, with provision always, for rehousing in areas popularly

referred to as over spills where dislocated households are accommodated.

3.8 RESTRICTION ON GRANTS OF PLOTS (IMPROVEMENT AREAS)

Local authorities are restricted to granting no more than one occupancy licence to any one person.⁴² Like in the case of site and service areas, the rationale for this provision seems to be to prevent concentration of urban land in a minority. However, in practice, one notes a lack of effective implementation of this provision. For instance, Improvement Areas like Chawama, Chaisa and George are heavily populated. It must be noted that shortly after the enactment of the Housing Act, a registration exercise was undertaken. The aim of the registration was to prepare a master list as the basis of preparation of occupancy licences. However, the accuracy of the registration exercise has been adversely affected by transfers which have been effected without either knowledge or consent of the Council. The most serious flaw however, in the implementation of this provision lies in the fact that transfers in the Deeds Registry of the Council are not checked against a list showing the present occupants. Whereas, in the case of site and service areas, it is relatively easier to monitor transactions in schemes like Kamwala/Kabwata with

about 400 plots, the same is not the case with improvement areas like Chawama with a population in excess of 60,000 people. Large settlements have notoriously poor records. In view of the foregoing, there is little evidence to suggest that the provisions of the Housing Act have curbed or prevented speculation and accumulation of land.

Further, the Housing Act does not make any distinction between residential and business plots. However, Councils's policy on allocation of business plots is to give preference to residents of the communities in which these business plots are situated. Consequently, there are a number of cases where one holds both a residential and a business plot. Council has in such instances conceded to granting an occupancy licence for a residential plot and another for a business plot. However pragmatic this approach may be, there is a need to amend the Housing Act, so that such an arrangement may have the support of the law.

3.9 CONSENT SYSTEM (IMPROVEMENT AREAS)

It has been observed that the Housing Act introduced the consent principle in land transactions. As regards the Improvement Areas, the principle is hardly

applied. In practice, Council invariably consents to transfers if service charges and loan repayment arrears have been paid. Unlike the site and service areas, Council does not advise parties to transfers about the value of the subject matter of the transfers. One explanation may lie in the fact that Council's valuation staff are not able to cope with the numerous transfers that are transacted in Improvement Areas.

3.10 BUILDING STANDARDS (IMPROVEMENT AREAS)

It has been stated elsewhere in this dissertation that site and service areas and improvement areas require codes to ensure that basic health and safety standards are maintained. In fact, in very poor areas like Improvement Areas, it is submitted, perhaps no building codes are required at all. In so far as housing for the very poor is concerned, it is suggested that the entire notion of regulations with its overtones of enforcement, penalties, inspections and the like may need rethinking.⁴³ Happily though, the technical construction officers on the Staff of the Field Team Leader, advise the urban poor how to set their houses and the mode of construction and improving their accommodation. Finally, building regula-

tions should be seen as a code of guidance to advise the urban poor in improving their accommodation and not a set of rules which penalize every error.⁴⁴

3.11 RIGHTS AND OBLIGATIONS OF LICENSEES

It has been noted that occupants in improvement areas are issued with occupancy licenses. The rights and obligations of the holders of the licences are prescribed by the Housing Act. Occupants of Improvement Areas are not in the first instance allowed to build, use, let or in any way deal with any dwelling or building without an occupancy licence.⁴⁵ The holder of an occupancy licence shall have such rights and obligations in respect of the piece or parcel of land to which the licence relates and in respect of any dwelling or other building erected thereon as may be prescribed.⁴⁶ These may be summarized as follows:
The occupant covenants with the Council to:

- (a) pay a charge for water supplied to the Improvement Area;
- (b) pay a charge for sewage service if supplied to the Improvement Area;
- (c) pay a charge in lieu of rates based on the value of the average of the normal dwelling and out-buildings within the improvement Area;

- (d) pay a charge for a fair share of the cost of any service provided especially for such Improvement Area.
- (e) make the foregoing payments whether the same are demanded or not.
- (f) occupy the premises as a residence for himself and his immediate family only;
- (g) keep the premises clean and tidy;
- (h) not to sub-license or assign without the previous consent of the Council.

Basically, the covenants are meant to serve the purpose of maintaining and improving these areas. There is obvious need to maintain public health and prevent the deterioration of Improvement Areas into slums. A comparison of the covenants in Statutory Housing Areas and Improvement Areas, shows that the position of the tenant in Statutory Housing Areas is less onerous than that of the licensee in Improvement Areas.⁴⁷ The rights and duties of the tenant are similar to those of a tenant for a fixed term at common law.

It has been observed that the licensee covenants to occupy the premises as a residence for himself and his immediate family only. However, there is no defini-

tion of the expression "immediate family". But one is tempted to interpret it to mean the nucleus family.⁴⁸ In view of the prevalence of the extended family system, this covenant is not likely to be observed. Its rationale may have been to prevent overcrowding and discourage further migration by rural dwellers to urban areas with their relations providing temporary board. Be this as it may, it is an ineffective solution to migration as the colonial government discovered when enforcing their pass law.⁴⁹

The Council may, after giving written notice of not less than three months to the licensee, revoke an occupancy licence,⁵⁰ on any of the following grounds, that is to say:

- (a) Upon the expiration of the term;
- (b) If at any time any payment in relation to the licence is unpaid for three consecutive months after becoming due whether demanded or not;
- (c) Upon the failure by the occupant to remedy any breach after being required to do so by a written notice;⁵¹

3.12 RATES

Upon the declaration of an area either as a Statutory Housing Area or an Improvement Area, a Council

may submit to the Minister a schedule of fees proposed to be charged by the Council to the lessees or occupants in respect of service provided or to be provided, including any charges for water and for sewerage services and in respect of charges in lieu of rates.⁵² Presently, tenants and occupants pay monthly charges. The monthly charges comprise the development charge, utilities, property rates, management and dustbins charges and the building and materials loans for areas developed with the assistance of the World Bank. Clearly, the Housing Act allows local authorities to levy a service charge in lieu of rates. It is submitted that in view of the 'invasion' of some of the site and service schemes by the middle- and the upper-income groups, council should consider charging rates in lieu of service charges. The current rates of service charges should be limited to Improvement Areas which accommodate the vast majority of the urban poor.

3.13 PENALTIES

The Housing Act, provides that a person shall be guilty if:

- (a) without lawful authority he uses or occupies any piece of land or building;
- (b) he demands or receives from any person in respect of a building or premises situated in any area to

which this Act applies a rent, fee, purchase price or other charge in excess of the rent, fee, or other charges prescribed under the Act.

- (c) he erects any building or structure in any area to which this Act applies without the prior approval of the Council within whose jurisdiction the land is situated, or
- (d) he does or omits to do any act in contravention of any of the provisions of the Act.⁵³

Further, the Act provides that any person found guilty of an offence under the Act shall be liable to a fine not exceeding K500.00, or to imprisonment or to both fine and imprisonment. It must be noted that the incidence of unlawful occupation is mostly prevalent in squatter areas. This is mainly due to the fact that these areas are not planned and therefore there is a tendency to occupy open spaces without the authority of the Council. This contrasts with the planned and demarcated plots in Statutory Housing Areas. Although the Act proscribes the demand or receipt of a rent, fee, purchase price or other charge, in excess of that prescribed under the Act, there is in fact no prescribed rent, fee or purchase price in the Housing Act. It is submitted

that these are purely contractual matters which should be privately and mutually agreed upon. This view is reinforced by the fact that the Rent Act⁵⁴ is specifically excluded by the Housing Act.

3.14 NON-APPLICATION OF CERTAIN ENACTMENTS

When the Housing (Statutory and Improvement Areas) Bill 1972 was moved to be read for the Second time, the then Minister of Local Government and Housing noted that the SNDP laid down certain essential principles for housing in Zambia, namely:

- (a) that squatter compounds have to be improved;
- (b) that the government's principal role is to assist in developing serviced sites so that Zambians can become home-owners through self-help.

In order to achieve this, he went on to say that, this country has to break away from a lot of traditional and historical land law, and get rid of all the mumbo Jumbo to make dealings in land as simple and as cheap as possible.⁵⁵

This proposal was ultimately achieved by the non-application of certain enactments. The following Acts do not apply to areas declared either as Statutory Housing Areas or Improvement Areas,⁵⁶ viz;

- (a) The Lands and Deeds Registry Act;
- (b) The Land Survey Act;
- (c) The Town and Country Planning Act;
- (d) The Rent Act;
- (e) The Stamp Duty Act.

The exclusion of the Lands and Deeds Registry Act is mainly related to the requirement that every document presented for registration should contain a diagram or plan.⁵⁷ It must be noted that the Survey Act together with the regulations require a very high degree of precision in carrying out surveys and the preparation of diagrams.⁵⁸ In practice, in the case of Council certificates of title issued to tenants in Statutory Housing Areas, a sketch plan is annexed to the certificates of title showing the location of the plot and the size of the same. The sketch plan is extracted from the Statutory Housing Area Plan which is approved by the Surveyor-General. This practice has the obvious advantage of averting the otherwise high costs of survey incurred in the preparation of diagrams of each house. Further, in the case of Improvement Areas, the irregular patterns of housing presented a formidable challenge to established survey techniques. Thus, an occupancy licence

simply identifies the houses by serial numbers which are extracted from the Improvement Area Plan. The unsuitability of the existing survey requirements to Improvement Areas raises doubts as to their general application. One may question the necessity of precise measurements in a country which has legislated against and rejects the commercialization of land and housing.⁵⁹

The exclusion of the Town and Country Planning Act⁶⁰ is another significant aspect of the Housing Act. It removes the areas covered by the Housing Act from planning authorities appointed under that Act. However, the exclusion of the Act raises the question of who does the planning. Is it to be left to the squatters themselves to continue spontaneous and dynamic planning or be placed under official control?⁶¹ The Housing Act makes the NHA or Council the Planning Authority for the Statutory Housing and Improvement Areas. The NHA is the major institution charged with the responsibility of housing development in the country. This arrangement ensures that the NHA is available to especially, the majority of the District Councils which lack the technical staff to

plan and design housing developments.

The Rent Act ⁶² does not also apply to areas covered by the Housing Act. The aim of rent control is to prevent individuals from capitalising on the scarcity of housing. However, rent controls have a long and unsuccessful history.

Finally, the exclusion of the Stamp Duty Act ⁶³ removes the burden of paying duty and also makes land transactions in areas covered by the Housing Act easy.

3.15 EXTENT OF APPLICATION

It has been argued ⁶⁴ that the sparing use of the Housing Act in so far as it relates to Statutory Housing Areas is due to the restriction by the Council of the declaration of Statutory Housing Areas to the Council's housing estates. On the contrary, the majority of Statutory Housing Areas are site and service schemes. One explanation may lie in the fact that most tenants of Statutory Housing Areas would like to obtain mortgages on the security of the certificate of title to build or buy houses. There is, therefore pressure on the Council to have these areas declared as statutory housing areas.

The main bottleneck in declaring site and service schemes as statutory Housing areas and upgraded areas as improvement areas is the preparation of plans for Statutory Housing Areas and Improvement Areas. The survey section of the council is inadequately staffed. The problem is compounded by lack of transport. It is for this reason that Council decided to engage land surveyors in private practice to prepare some surveys.

As regards Improvement Areas, it is argued that a ground survey is an impossible task to execute. The areas that have been declared to date, have had to rely on aerial photographs. This involves colossal amounts of money. There is seemingly a lack of commitment to the mobilisation of funds and its application to the survey of housing areas on the part of the Council. Further, outside the declared areas, there are a number of squatter settlements. There is seemingly ambivalence on the part of both the central and local government to legalise the areas. Certainly, the "bull dozer approach" attempted recently does not without prospects of re-housing seem to be a solution. Ultimately this ambivalence denudes the efficacy of the Housing Act.

3.16 EVALUATION

The passage of the Housing Act was without a doubt, a step in the right direction. However, in the absence

of comprehensive housing policies, the Act will by and large be of limited application. There is also a need to ensure that site and service schemes in rural District Councils are declared. The NHA should be requested to assist in the preparation of statutory Housing and Improvement area plans. In order to bring the existing squatter settlements under the ambit of the Housing Act, the same should be officially regularised. This regularisation should be accompanied by upgrading programmes. Above all, there is need now to plan for housing development for the urban poor.

FOOTNOTES

1. Mulimbwa, A.C., Legal Constraints on Housing Development in Site and Service Schemes and Improved Slum Areas Zambia Law Journal Vol. 14, 1982 p.62.
2. 1970/HN No. (A (unreported).
3. Mulimbwa, A.C., op. cit., p.66.
4. S.4 and S.37 of Act No. 30 of 1972.
5. S.5 of Act No. 20 of 1975.
6. S.4(i)(ii) and S.37(i) (ii) Act No. 30 of 1974.
7. Mulimbwa, A.C., op. cit., p.67
8. Daily Parliamentary Debates No. 36 2nd August, 1974.
Mulimbwa, A.C., op. cit., p.67
10. Martin, R., Lusaka Squatters are Licensed in Geographical Magazine 48(8) May 1978, p.477.
11. Martin, R., ibid, p.477
12. Mulimbwa, A.C., op. cit, p.67
13. S.7(1) of Chapter 441 of the Laws of Zambia.
14. Proviso of S.5(1) of Chapter 441 of the Laws of Zambia.
15. S.5(1) of Chapter 441 of the Laws of Zambia.
16. See circular No. 59/66 dated 7th November, 1966 entitled "Aided Self-Help Housing on Site and Service Schemes".
17. The Kabwe declaration is a collection of Addresses to the UNIP National Council at Kabwe, Dec. 1972.
18. Mulimbwa, A.C., op. cit, p.68
19. S.5(2)(c) of Chapter 441 of the Laws of Zambia.
20. S.7(3) of Chapter 441 of the Laws of Zambia.

21. Mc Auslain, P., op. cit., p. 32.
22. Kaunda, K.D. Humanism in Zambia, Government Printer, Lusaka, October, 1967.
23. Mc Lain, W., Legal Aspects of Housing and Planning in Lusaka, p.5 (unpublished).
24. Mc Lain W., ibid, p.8
25. S.42 of Chapter 441 of the Laws of Zambia.
26. Mc. Lain, W., op. cit., p.30
27. Gazette Notice, No. 1049 of 1976
28. Swain, PJ Management of Site and Service
Wagelin, EA Housing Schemes, New York, 1983
Danches, K p.51.
29. S.40 of Chapter 441 of the Laws of Zambia.
30. Chapter 535 of the Laws of Zambia.
31. Mc Auslain, P., op. cit, p.83
32. Mc Auslain, P., ibid, p.85
33. S.39(6) of Chapter 441 of the Laws of Zambia.
34. Mc Lain, W., op. cit., p.27.
35. Mc Lain, W., op. cit., p.30.
36. Maudaley, PH Land Law Cases and Materials
Burn, E.H., (London: Butterworths,)1975 p.436.
37. Fifth Schedule of Chapter 441 of the Laws of Zambia.
38. Mulimbwa, A.C., op. cit., p.70.
39. Chapter 708 of the Laws of Zambia.
40. S.61 of Chapter 708 of the Laws of Zambia.
41. Clause 7 of the Fifth Schedule, of Chapter 441 of the Laws of Zambia.
42. S.39 of Chapter 441 of the Laws of Zambia.

43. Mc Auslan, P., op. cit., p.85.
44. Mc Auslan, P., ibid, p. 85
45. S.39(1) of Chapter 441 of the Laws of Zambia.
46. S.39(5) of Chapter 441 of the Laws of Zambia.
47. Mulimbwa, A.C., op. cit, p.70.
48. Ibid, p.70.
49. Ibid, p.70.
50. S.39(6) of Chapter 441 of the Laws of Zambia.
51. Clause 4, of the Fifth Schedule of Chapter 441 of the Laws of Zambia.
52. Regulation 33 of Chapter 441 of the Laws of Zambia.
53. S.44 of Chapter 441 of the Laws of Zambia.
54. S.48 of Chapter 441 of the Laws of Zambia.
55. The Housing (Statutory and Improvement Areas) Bill 1972, Daily Parliamentary Debates No. 36, Friday, 2nd August, 1974.
56. S.48 of Chapter 441 of the Laws of Zambia.
57. S.12 of the Lands and Deeds Registry Act, Chapter 287 of the Laws of Zambia.
58. Mc Lain, W., op. cit, p.27
59. Mc Lain, W., ibid, p.29.
60. Chapter 475 of the Laws of Zambia.
61. Mc Lain, W., op. cit, p.26.
62. Chapter 438 of the Laws of Zambia.
63. Chapter 664 of the Laws of Zambia.
64. Mulimbwa, A.C., Urban Law and Housing Policy in Zambia, Master of Laws Dissertation University of Zambia, September, 1980, p.106.

CHAPTER FOUR

HOUSING AND PLANNING

4.0 HOUSING AND PLANNING INSEPARABLE

It is the basic theme of this Chapter that housing and planning are inseparable. It is instructive to refer to Professor L.R. Vogale's¹ observation that;

"The African urban environmental legislation is a product of historical accidents and a colonial remnant. Most of the developing countries in the African region do not have comprehensive human settlement legislation. Numerous piece meal and ad hoc ordinances and codes attempt to regulate the acquisition, development and use of land, in the urban and rural areas. The Town and Planning Acts in force are old, obsolete and not effective. They neither serve the present needs nor respond to changing conditions. The Acts are rudimentary, and do not require comprehensive land use decisions. In short, Town and Country Planning Legislation in most of the African countries is linked by three factors; its British roots; its needs to be brought up to date; and its necessity to be made relevant and responsive to the problems and potentials of the African environment. Urban planning and housing operate within their statutory framework and often without much co-ordination and co-operation and often with overlapping powers, functions, and jurisdictions".

The discussion that follows serves to illustrate Professor Vogale's observation.

4.1 THE TOWN AND COUNTRY PLANNING ACT

The primary object of planning is to ensure that all land is put to the use which is best from the point of

view of the community. The present system of Town and Country Planning is a British import. Before the advent of Town and Country Planning in Britain, building was left to the unrestrained initiative of individual landowners. The development of land was uncontrolled and un co-ordinated. There were however, bye-laws, relating to the safety, ventilation, and lighting of buildings, but none, to regulate the orderly development of large areas. The development of Town and Country Planning in England is closely tied up with the emergence of the Welfare state and the resultant expansion of the regulatory functions of government. The Industrial Revolution of the 19th century resulted in the organisation of boroughs and urban local authorities and later of the country and rural district councils. Initially, the new authorities were mostly concerned with sewerage and sewerage disposal. As the Industrialization of the country progressed, so did the need for further controls over private development. Functions were created by statute and entrusted to local government, Housing Authorities, and later to Town and Country Planning authorities. The development of laws regarding public health, Housing and Planning in England may be seen as part of a continuous policy to increase the powers of public authorities over the use of land in order to tackle the increasing problems of the urban environment.

It was inevitable, therefore, that the Housing Laws and policies would entail the imposition of public health obligations on the builders in order to avoid the social and aesthetic chaos created by generations of unplanned, speculative building and urban development and permit relevant authorities to tear down and clear the slums - the houses unfit for human rehabilitation. The objective of the policy, therefore, was to replace unhealthy private tenanted property, and laws were framed accordingly.²

Hence, the objective of the Planning system introduced in 1947, was to control private development, in the name of containing urban sprawl, preserving the countryside and stopping unsightly and unneighbourly development.³ A significant feature of the planning system introduced, was the provision of the development plan. This would set out in an ordered form the future land uses of the town. These laws and administrative arrangements were transplanted into Zambia at the beginning of the 20th century as part of the colonial law of the then Northern Rhodesia.

Prior to the adoption of the English 1947 Act, Northern Rhodesia was governed by the Town Planning Ordinance of 1929. The Town Planning Ordinance provided for the appointment of a Town Planning Board with the

power to prepare or have prepared a plan for any town referred to it by the governor and impose building standards which it could at least theoretically enforce.⁴ This planning ordinance was based on the British **model** with its concern for the health and welfare of the European population. It was through this influence that the Board, Commissioned the preparation of the Development Plan for Lusaka. It must be noted that at that time there was considerable enthusiasm in England for the garden city movement - the Garden City concept was introduced to alleviate the hardship of squatters in England. It was perhaps inevitable that a new capital city would be the product of the "Garden City Thinking".

In 1930, Professor S.D. Adshead of the University of London was commissioned to prepare a development plan for Lusaka. The major concern in the Adshead Plan of 1930-1933, was the distribution of urban land. This was based on allocation of different land uses, such as residential land for Europeans and African populations who were generally housed in separate locations and also for the location and control of other developments in Lusaka, for instance Industrial and commercial developments.⁵ In order to facilitate the administration of the town, as well as to provide an institutional support for the new plan, Lusaka through the Township Ordinance was given

township status.⁶ Adshead planned a European city. The plan projected an eventual population of 500 Europeans. These were to live in three different areas on the basis of their income. The richest group was to be in areas with the largest sizes of plots around the area now occupied by State House. The middle income was to be in an area with plots smaller than those for high income but larger than those for low-income. The area set aside for them is what is now called Northmead.⁷ At this time, no provision was made for Africans, because permanent settlement for Africans was not accepted. Africans were regarded as transient migrant labourers.

It was however, unfortunate, that during the 1929-1933 period, the Town Planning and Health Ordinances were undergoing some new changes in their regulations and it was at this time when the authorities literally forgot to refer Lusaka to the Board.⁸ Consequently, it was discovered in 1936, that the development plan for Lusaka was illegal and hence non-statutory, up to 1952 when the plan was revised. Notwithstanding, this omission, the administration of Lusaka remained within the township council. Government through the Planning authority, Lusaka Council, embarked on a land acquisition programme. This programme was prompted by the rapid growth of the city. However, by 1958, the 1952 plan was already out of scale,

some development having taken place beyond the boundaries. Even within the boundaries, certain **projects** had not been envisaged and were therefore, accommodated ad hoc. A review of the plan was overdue. As a result, in 1958, the "Lusaka Planning Varying Scheme" was prepared. This scheme regularised the development by modifying the use zones according to what had actually taken place. The Lusaka varying scheme continued to be in force up to 1961, when a revision of the previous legislation was undertaken.

The rapid growth of some major urban centres like Lusaka and some towns on the Copperbelt, demanded a degree of decentralisation. Therefore, the 1961 Act empowered the Ministry of Local Government and Housing to delegate the powers of town development, plan preparation, and control of development to the Lusaka, Kitwe, and Ndola city councils and the five municipalities of Luanshya, Chingola, Mufulira, Kabwe and Livingstone. The Act also required the Minister of Local government and Housing to **approve** such development plans after they had been duly advertised and displayed for inspection by the public. Further, the 1961 Act specified that the plans were to consist of three maps, including a land utilisation map showing existing infrastructure and a basic map showing, to scale, the proposed future land use pattern

at the end of the plan period of thirty years.⁹

These documents were to be accompanied by a written document consisting of an analysis of existing needs and problems and projections and goals for future development. The documents were to be reviewed every five years. From the outset, it can clearly be seen that the Act specifies fairly rigidly the procedure for plan preparation and the content of the development plan.¹⁰ Thus, the Act did not for instance, mention the formulation and evaluation of alternative development strategies nor did it refer to public participation in the process of plan preparations. The approach was highly technical. However, there was a positive aspect to the Act. It recognised the importance of institutional relationship to facilitate efficient implementation of the development plan. In this regard, apart from the local authorities, other planning institutions that play a role in the future shape of housing development, like the department of Town and Country Planning and the NHA, are recognised by the Act. The Department of Town and Country Planning, through the tradition of physical planning, to date, deals with the overall master plans while the NHA is concerned with housing development, projects and designs.

4.2 DOXIADIS INTERNATIONAL COMPANY LIMITED

In view of the high rates of immigration after Zambia's Independence in 1964, and the consequent high demand for housing, the government through the Ministry of Local government and Housing, retained in 1968, Doxiadis Associates as Consultants to carry out a study of the Development Plan of the greater Lusaka area. Doxiadis Associates then became responsible for a Master Development Plan for greater Lusaka. The first phase of this work, consisted of surveys and collections of data. Thus this included investigation and analysis of existing physical, demographic, economic and social land utilisation conditions.¹¹ The second phase aimed at assessing present and future problems and needs, establishing planning principles and policies to be adopted and preparing a preliminary development plan.¹² This analysis was used as a basis for estimates of population, employment, income distribution, and the economic structure up to year 2000. In April, 1975, the consultants indicated that their development plan would cost more than K140 million over the next 25 years, including K100 million for the construction and improvement of the proposed network for roads and K4 million for expansion of the existing railway station. However, in this analysis, there was no discussion of the administrative capacity and the legal

basis for local government. Thus, unofficially, there were serious doubts among local planners, housing specialists and economists about the feasibility of the plan for financial and organisational reasons.¹³

There was also a disturbing parallel to the Ahead Plan of 1930.

4.3 HOUSING NEEDS

As has been stated elsewhere in this dissertation, the most crucial task of urban management in the cities of developing countries is to assist in the absorption of the rapidly growing urban population, in such a way as to meet the basic needs. One of the major elements in this absorption process is, inevitably, the allocation of land for urban development and the provision of access to land. Thus as noted earlier, the SNDF, recognised the need for shelter in order that government could be able to command the labour power necessary for the diversification of the economy. It was, therefore, for this reason that at the same time as the main process of the plan preparation was underway for the greater Lusaka Area, the same Consultants were engaged in other projects on squatter settlements by the Ministry of Local Government and Housing. After they conducted a study of the existing conditions in Lusaka, which were part of the Development Plan, the consultants submitted proposals for squatter areas and

upon this they were commissioned by the Ministry of Local Government and Housing to "undertake the study and implementation of a crash programme for the settlement of squatters in the urban areas".¹⁴ According to Doxiadis, the solution to the problem of squatting was the provision of housing for everyone. However, because of the danger of encouraging rural - urban drift and high costs of implementation of the policy of housing everyone this was neither desirable nor feasible.¹⁵ Consequently, Doxiadis focussed on the provision of infrastructure to existing squatter settlements as this was what was needed in view of the lack of organisation in these settlements.¹⁶ According to Carole Rakodi, "the Consultants view of the living conditions in shanties as disorganised, abnormal and undesirable reflected the conventional wisdom of the time as represented by the Zambian press and also by some officials and politicians". From the foregoing, there is no doubt that squatting was **viewed** as a process of random settlement and a violation of the technical town planning procedure that had been employed in the official plan for Lusaka. But above all, it is a clear manifestation of the fact that the plan did not take into consideration the social aspects of the low-income groups. It is also an accepted fact, that squatter settlements are built around a well developed social and political structure, and a high

proportion of their population are employed in the formal sector of the economy.

Resulting from the technical approach, the consultants produced estimates of costs for re-settlement, serviced plots, and estimates of costs for upgrading. The latter were neither based on previous experience nor on a worked-out proposal for a specified area.¹⁷ For instance, the estimates of time in the plan programmes were totally unrealistic and it was based on a poor analysis of the administrative capacity of the Lusaka City Council as evidenced by the performance in the implementation of housing programmes in previous years.¹⁸ Notably, the consultants did not take into account the debate for a positive approach to increasing access to land and infrastructural services for particularly the low-income groups. To date, despite the relative ease of access to land for the Lusaka Planning authority, there has not been any real attempt to provide land and infrastructure in advance for the ever increasing population of the urban poor, particularly the new low-income households.

4.4 PUBLIC PARTICIPATION

The need to ensure that those people most likely to be affected by planning decisions are given an adequate opportunity to contribute to their final formulation lies

at the centre of the notion of public participation.¹⁹ The idea has increasingly come to be seen as the touchstone of the relationship between the governor and the governed. The concept is pregnant with notions of fair play to the individual citizen and a hall mark of civic responsibility and democratic accountability in government.²⁰ Aside from economic implications, the Doxiadis plan raised the important question of the participation of the people planned for.

A former mayor of Lusaka, F. Chirwa, speaking as a member of Parliament, touched on this question since he had served as Mayor during the preliminary drafting of the Doxiadis Plan. He observed:

"It is not possible to transplant a scheme that has been implemented elsewhere very successfully into Zambia. The situation, environment, and everything else, are different....experience seems to show that planning is being done mostly by foreign planners and consultants without much consultation with the Local people".²¹

Participation by the local population in the planning process, and in implementation is regarded as necessary for one reason in particular. It secures popular support, and effective implementation. This argument is supported by the contention that planners must seek maximum involve-

ment of people in their communities, in order to effectuate plans. To date, public participation is limited to the recording of objections to development plans. Even then, most of the objectors represent sectoral interests, especially business communities. The ordinary person hardly participates in planning. Clearly, the Act fails to make provision for active participation by the people in the planning process.

However, as much as consultation and co-operation at all times, is necessary or desirable, it is not always a realistic goal. It is submitted that, the wider the public involvement in major planning decisions, the greater is the risk of protracted action and indecisive results. However laudable public participation may be, in the interests of democracy, it undoubtedly gives rise to considerable procedural and practical problems. For instance, it is not uncommon for planning authorities to defer to political expediency whenever it conflicts with planning considerations.

4.5 EVALUATION

It is evident that the existing planning legislation is outdated. It is not comprehensive.

It is rudimentary and obsolete. It has not kept pace with the dynamics of population changes, economic growth, social changes and political developments that have taken place since independence. As a result, the plans demonstrate a great deal of rigidity in their procedures for preparation under the existing town planning legislation. Although land use controls are seen to be a necessary part of urban land policy, they are neither efficient nor equitable in their operation in Third World Cities.²² First, the aims of land use controls should be more modest. A master plan might be a useful exercise in bringing together information about a city, it should not be seen as a blue print which has to be followed to the last detail. Secondly, there must be co-ordination and simplicity. Simplicity applies particularly to the land use control regulations. If legislation is complex, detailed, and rigid, it is ignored by the public, abused by the developers and misapplied by officials.²³ The question really should be: "what are our most pressing urban problems and how can planning controls assist in solving them"?. It is obvious that some of the most pressing and urgent problems are rapid urban growth and the lack of public resources to provide accommodation and services for the urban poor. In conclusion, forward planning, particularly land acquisition, and delivery of serviced housing plots should form an integral part of management of aided self-help housing.

FOOTNOTES

1. Vogale, L.R., A Paper for Planning Legislation for African Nations, a paper presented to the University of Zambia, Commonwealth Youth Programme, Africa Centre, Planning Legislation for African Nations Conference, 12-16 May, 1986.
2. Mc Auslan, J.F.W.B., Land Law and Planning, London, 1975.
3. Hamalambo, M.P., Urban Planning and Law in Zambia 1984, (unpublished).
4. Collins, J., Evolution of Urban Housing Policies in Zambia with Special Reference to Lusaka, M.Sc, Thesis, Columbia University, 1970.
5. Ng'andu, W., The Preparation and Implementation of the Development Plan of the City of Lusaka. (M.Sc Dissertation, University College, London, September, 1987).
6. Ng'andu, W., Ibid., p.9
7. Hamalambo, M.P., op. cit, p.14.
8. Ng'andu, W., op. cit, p.14.p.9.
9. Ng'andu, W., Ibid, p.25.
10. Ibid, p.19.
11. Ibid, p. 17.
12. Ibid, p.17.
13. McClain, W., Legal Aspects of Housing and Planning 1975 (unpublished)
14. Doxiadis Associates International In EKHCS 214 September, 1973, pp.1.
15. Ng'andu, W., op. cit, p.21.

16. Doxiadis Associates International, op. cit, p.196.
17. Ng'andu, W., op. cit, p.22
18. Ng'andu, W., Ibid, p.23
19. Mbao, M.L.M., Legal Pluralism and Its Implications for Land Ownership and the Control of Land use in Zambia (M.Phil. Thesis University of Cambridge, 1982, p.68).
20. Mc Auslan, J.P.W.B. op. cit,p.23
21. Parliamentary Debate, 18th February, 1975, 2nd Session of the 3rd National Assembly, 1389.
22. Mc Auslan, J.P.W.B., op. cit, p.47.
23. Mc Auslan, P., Urban Land and Shelter for the poor, 1985, p.78.

CHAPTER FIVE

MANAGEMENT OF AIDED SELF-HELP HOUSING

5.0 INSTITUTIONAL INVOLVEMENT

It was stated in Chapter Two that squatter upgrading and the site and service housing strategies are now widely accepted as appropriate responses to the rapidly expanding needs for shelter and services in Third World cities. The purpose here, is not to discuss the merits and shortcomings of these policies, but to explore their management implications. Failure to attend to the organisation and management requirements of development projects, is commonly held to frustrate their realisation.¹ Many squatter upgrading and site and service programmes run into serious problems because government housing agencies are often insufficiently attuned to the various planning and implementation processes for project success. In many cases, housing agencies have done little to identify what structural organisations are necessary to enable them to design, implement, and manage this particular type of project successfully. Inability or unwillingness to recognize and remedy organisational deficiencies has led to much confusion, inefficiency, a movement away from the actual strategy.²

It is generally accepted that, institutional involvement has, by and large, become an integral part of the approaches to housing for the poor. It is a fact that the needs of the low-income settlements cut across the traditional sectoral organisation of government services. There is a world wide recognition by government that, the most viable way to shelter the poor, is to improve what they have. As self-help efforts cannot make up for the inadequacy of major infrastructure, constructive intervention in housing systems must be limited to support structures.³ Common to support structures are the basic resources without which nothing much can be constructed or maintained. Access to these resources and freedom to use them depends on social institutions and finance. It is submitted that since the needs of the poor cut across sectoral organisations of government services, the delivery of an integrated package of assistance requires a high degree of co-ordination at both ministerial and city or municipal levels.

According to Richard Martin, institutional involvement is inevitable because of the amount of capital required in providing the basic services which are not available within the community. Therefore, co-ordinated participation of all relevant ministries and agencies in the planning and implementation of housing programmes is a fundamental

requirement. For this involvement to be successful, Martin advocates some principles which will lead to the success of such involvement. He proposes that:-

- (a) institutional involvement must not threaten the existing political, social and economic systems, as well as rules governing these but must respect them;
- (b) institutional involvement must be seen as a support system and not a corrective one;
- (c) the residents must have an executive role and must be given responsibility for taking decisions.
- (d) this intervention must be seen as a means of accelerating development along a continuum, not as a first or final factor in enforcing a certain level of official standards.⁴

David Pasteur, also emphasises the need for integrated and co-ordinated physical and social development. He specifically points out two requirements for institutional framework for upgrading areas as:-

- (a) effective arrangements within the governmental structure to secure the delivery of various physical components of development in an integrated and co-ordinated manner;
- (b) sensitivity of agency or agencies concerned to the social situation.⁵

The need for integration arises as a result of functions which are spread over a number of different government agencies or major departments within an agency.

5.1 INSTITUTIONAL INVOLVEMENT THE CASE OF LUSAKA

When the Lusaka City Council boundaries were extended in 1970, most of the squatter settlements hitherto on the periphery fell within city boundaries. As stated in Chapter Two, in 1972, the government policy as provided in the SNDP was that areas popularly known as 'shanties' were to be upgraded and not demolished. Accordingly, the Ministry of Local Government and Housing, requested the Lusaka City Council (LCC) to submit upgrading plans. Council estimated that it would cost K12 million to provide Chawama, George and Chaisa with pipe borne water, roads, pit latrines, street lighting, and refuse facilities.⁶ However, the government only appropriated K5 million for upgrading of all squatter settlements in the urban areas. Only a small proportion of this amount was utilised for upgrading. Three-fourths of the allocation was used for medium and high cost houses, primarily for civil servants.

Therefore, as earlier observed, the government turned to the World Bank for a loan. In 1974, an agreement by which the World Bank would support the policies of site

and service and squatter upgrading programmes was signed. The Housing Project Unit, (HPU) was established to execute the major components of the project. It had the status of a department of the LCC. At the same time, while formally and legally part of the council machinery HPU had a "special status". Its relationship with the council, its staffing and financial procedures and salary levels were all elements of this status and differed from those of other departments.⁷ The HPU was responsible for the execution and co-ordination of the project. But it was expected that it would rely on LCC departments for significant support both on construction and supporting services such as legal services and certain accounting functions.⁸ The HPU was manned by technical experts who implemented the project in close liason with the existing departments of the Council. The unit carried out the following functions:

- (a) supervised engineering designs, tendering and construction;
- (b) procured equipment and materials for civil works;
- (c) organised self-help labour for water execution, house construction and improvement;
- (d) assisted in the granting of house occupancy licences and explained the conditions and obligations of occupants in the areas;
- (e) administered loans for building materials; and

- (f) co-ordinated the activities of other Ministries involved in the execution of the project.⁹

The Finance and General Purposes Committee (F and GP), a standing committee of the Council was granted authority to decide policy matters related to the project. Consequently, the unit was not subject to the usual procedures and controls that applied to other committees. The HPU was largely self-sufficient. It was divided into three sections, namely:

- (a) Finance and Procurement;
- (b) Engineering;
- (c) Social Services;

The Social Services Division comprised Field Teams, Community Development Cadre and construction artisans. They were charged with the responsibility of mobilising residents for, and supervising self-help building activities.

5.2 WEEKLY PROGRESS MEETING

When the HPU was established in 1974, it was the practice of the Project Director, (PD), Deputy Project Director, (DPD), and Divisional Chiefs, to meet as a group. Attendance of the meetings was limited

to the five senior staff and the minutes were confidential.¹⁰ Curiously, Field Team Leaders were not members of the group. Important policy and management decisions were made by what some have regarded as an exclusive group.¹¹ At the end of 1975, however, the structure began to change on account of the **fact** that it was found increasingly necessary to invite the second and even third level of staff to attend when particular items were the subject of discussion. Moreover, the build up of activity in Chawama complex and increasing concern with operational problems and progress made the expansion of membership almost inevitable.¹² These developments resulted in the Weekly Progress Meeting (WPM) becoming an established corporate structure which bound together the component parts of the HPU. The growth of the WPM was not only a response to circumstances, but reflected a management purpose. There was a desire to involve all the **senior staff** in the management process, to promote loyalty to the project, to share knowledge and resources and establish a link with the field staff.¹³

5.3 FIELD TEAMS

A Field Team was set up for each of the three complexes (Chawama, Chaisa and George). The idea of a field team was not a new one. The structure had been

initiated in the 1960's by the Ministry of Local Government and Housing as part of the site and service policy.¹⁴ However, the experience in Lusaka had not been particularly encouraging. The institution lacked clear authority and leadership. The idea behind Field Team is to have the field staff united in a single team for each area under the leadership of a Field Team Leader. The Field Team consisted of Community Development Officers (CDO's), Assistant Community Development Officer (ACDO's), Construction Advisers, a store keeper and a cashier. Therefore, a Field Team was a corporate interdivisional group, specifically aimed at promoting effective and co-ordinated field performance. The Field Team had within the strategic framework determined by headquarters, a large measure of delegated responsibility for the implementation and the making of short-term tactical decisions concerning the programme.¹⁵ The Field Teams looked to headquarters for support.

5.4 EXTERNAL CO-ORDINATING STRUCTURES

The reporting and control procedures in the form of quarterly reports submitted to the central government and World Bank by the Housing Project Unit performed both the functions of internal and external control. Internally, the reports facilitated the monitoring process by providing a regular review of physical and financial performance.

Externally, it provided a means for control by the government and especially the World Bank. The World Bank exercised its control through its supervisory missions which performed a valuable advisory role.

5.5 THE INTERAGENCY CO-ORDINATING COMMITTEE

The interagency co-ordinating committee, was established with a view to harmonising the activities of the various agencies involved in the project. In spite of the important role the committee was expected to play, it died a natural death in the early days of the HPU. Consequently, the HPU had itself to deal with all the various agencies involved in the project. For instance, matters relating to compulsory acquisition, establishment of primary schools, and construction and maintenance of health centres were dealt with by the JPU.

6.5 THE ADMINISTRATIVE COMMITTEE ON LAND MATTERS

This committee drew membership from representatives of the Council, the Ministry of Local Government and Housing, the Ministry of Lands and Natural Resources, and the Offices of the Commissioner of Lands and the Surveyor-General. The Committee was primarily concerned with questions of compulsory acquisition of land, the survey of areas required or designated for settlement,

and declaration of squatter upgraded areas and site **and service** schemes as Improvement and Statutory Housing Areas respectively. The committee co-ordinated these activities and thus made the expeditious disposal of these matters possible.

5.7 THE PERI-URBAN SECTION

The transition from the HPFU to the current structure - Peri-Urban Section - involved a new phase of institutional design, adjustment, and adaptation. This presented difficulties in marrying the staff, procedures and styles of a successful, innovative organisation with those of a more conservative departmental structure. The peri-urban section was formed in view of the awareness that project areas require special treatment. Thus, the section is a multi-functional organisation for the peri-urban areas of the city. Functions undertaken by the section include extension activities carried out by community development cadre and construction staff. The former mobilises the residents in self-help building and the latter renders technical advice and supervision of house construction. It is noteworthy, that the section's functions do not include the maintenance of infrastructure and the collection of service charges and loan repayments. Maintenance of the infrastructure falls under the Development

Secretary's department and the Financial Secretary's department is responsible for the collection of service charges and loan repayments.

5.8 COST RECOVERY

A significant policy element underlying the upgraded areas and site and service schemes is the emphasis on cost recovery which enables shelter programmes to be developed and replicated on a large scale. In essence, this means that all costs involved in the project from the cost of land to that of administrative and technical expertise should be borne without any subsidy whatsoever.¹⁶ The importance of cost **recovery** lies in the fact that the finance that can be directed as subsidies to low-income families generally is very limited. The cost of housing must, almost totally, be met by the people themselves. However, the goal of full cost recovery has remained an elusive one. The World Bank's stress on cost recovery is prompted by two factors. The first factor is that the existence of government subsidies has meant that very little pressure has been exerted towards the use of appropriate design standard and the control of cost. Secondly, the World Bank considers cost recovery to be essential if private developers are to be encouraged to replicate these low cost housing solutions on a large scale.¹⁷

- 5.9 THE COLLECTION SYSTEM

The Collection of service charges and loan repayments has, from the outset, been the responsibility of the Financial Secretary. The service charge is a consolidated monthly payment made up of a number of components covering the costs of both development and services. During the HPU era, a procedure was evolved for the collection of service charges. Each section of twenty five (25) households would have a degree of corporate responsibility for payment. Section leaders assisted in encouraging prompt payment. In the event of full payment not being made by the end of the month, the water to that Section was turned off. The field team staff assisted by explaining the system and encouraging prompt payment. In due course, it became obvious that very few people were willing to pay and the only way to ensure payments was to exert pressure, amongst which were social and legal pressure. Previously, the legal alternative, vis repossession of plots, was not resorted to. It was felt that the legal basis of this did not yet exist because the upgraded areas and site and service schemes had not yet been declared as improvement and Statutory Housing Areas respectively. Further, it was argued that since loan agreements had not been executed, the use of these sanctions had to be deferred. It is submitted that in view of the **failure** of social pressure to ensure payments, the legal alternative is the only **effective** option. However, the Council has not taken any measures beyond issuing notices.

Lack of inter-departmental co-ordination largely accounts for this failure. The default rate, which is estimated to be in the region of fifty per cent, appears to make total cost recovery an impossibility for the Council. It should be borne in mind that although complete cost recovery is not always feasible, large scale default on repayments ultimately has a destructive impact on the infrastructure and certainly thwarts further efforts to expand the schemes.

5.10 COMMITMENT

Squatter upgrading and site and service schemes are complex and problematic in their social, economic, and financial structure. The kind of comprehensive analyses, and monitoring, required in the design and implementation of the projects, makes heavy demand on the agency's specialist personnel.¹⁸ Such specialists even when they are available, may also have difficulties fitting into institutions. The particular biases of disciplines as traditionally remote as for example, engineering and sociology, are not easily overcome and often result in unco-operative attitudes that make a multidisciplinary housing strategy more difficult than it already is. There is, therefore, need for the conversion of conventional housing agency staff such as architects, engineers, planners, and lawyers to new professional roles. The point been made here is that it is not

just a matter of professional training. There is need for a significant shift in attitudes. During the HPU era, this commitment was secured through reporting systems, weekly progress meetings, and Field Team Meetings. Further, a series of seminars were conducted to appraise staff, at various levels, regarding the goals and objectives of the project.

5.11 EVALUATION

It is now clear that the peri-urban section has not been successful in its role of co-ordinating of the maintenance and further development of the project areas. The major problems have presented themselves in the form of institutional framework. At the time of the handover of the project areas to the Council there seems to have been no identification of what structural and organisational modifications were necessary to enable the Council to successfully manage the project areas during the maintenance phase. One of the errors committed, it is submitted, was the relegation of the HPU from a department to a section under the Social Secretary's department. The present status of the section does not match the sphere of responsibility, the magnitude and the gravity of the housing problem for low-income groups. The Assistant Director of Housing (Peri-urban Section) does not enjoy or command the respect of a head of a department. Further,

most of the functions relating to the management of the peri-urban areas are dispersed amongst various council departments. The rather inferior status of the Assistant Director of Housing (Peri-urban Section) makes co-ordination difficult. For instance, the functions of maintenance of roads, street lighting, water supply, refuse collection, collecting service charges, and loan repayments and the operation of stores fall on departments which are largely self-contained with no central leadership under which they should fall. Consequently, the peri-urban section has not been able to effectively co-ordinate activities in project areas. The section's shortcomings are reflected in the poor maintenance of roads and the lack of garbage removal to mention but a few. The Development Secretary's department, has its own priorities and programmes regarding the maintenance of the city's roads and street lighting. The programmes or projects are also subject to availability of funds and equipment.

The Public Health Section is also unable to render a satisfactory refuse collection service in the project areas because of inadequate refuse removal vehicles and equipment. This is compounded by the poor state of the access roads. In any case, what is available (refuse collection equipment) is not shared equitably. It is

normally used for servicing the privileged high and middle income areas. The special treatment that was accorded to the residents during the HPU era, seems to have diminished. The experience of HPU clearly demonstrates the value of regular management meetings for the purpose of dealing with important policy issues, monitoring progress and, most important, responding to problems raised by the residents to the Field Teams.

The present composition of the Management Team at the Peri-urban section is weak. It lacks full representation from other service departments. It is submitted that in order for the peri-urban section to effectively co-ordinate activities in the project areas, there is need for wider and higher level representation with some relatively senior officers from the District Executive Secretary's Office **chairing** the meeting.

Such an arrangement would instill a sense of commitment and provide for accountability for various inputs in the project areas. Presently, there appears to be a dismal lack of management direction, absence of targets, and a systematic review of progress.

FOOTNOTES

1. Pasteur, D., The Management of Squatter Upgrading: the case of Lusaka (IDS Bulletin 10(4) June, 1979), p.52.
2. Swain, P.J.
Wagelin, EA
Panchee, K Management of Sites and Service Housing Scheme, 1983, p.52.
3. Muuka, I., Institutional Involvement in the Lusaka's Upgraded Areas with Regard to Performance and Its effects (Report No. 1150 45th ICHPB January/May 1985 p.1
4. Martin, R., The Role of the Implementing Agency in Self-Help Projects, A Case Study from Lusaka in Planning and Administration, 1979.
5. Pasteur, D., op. cit., p.35
6. Muuka, I., op. cit., p.7.
7. Pasteur, D., The Management of Squatter Upgrading 1979, p.25.
8. Ibid, p.25.
9. Pasteur, D., op. cit p.37.
10. Ibid, p.37
11. Ibid, p.37
12. Ibid, p. 37
13. Ibid, p. 38.
14. MLGH Circular 59/66 Aided Self-Help Housing on Site and Service Schemes, 7th November, 1966.
15. Pasteur, D., op. cit, p.39
16. Swain, PH
Wagelin, E.A., op.cit, p.94
17. Ibid, p.94
18. Ibid, p.5
19. Ibid, p.51

CHAPTER SIX

HOUSING FINANCE FOR THE LOW-INCOME GROUPS

6.0 BACKGROUND

The provision of adequate shelter for all has since the First National Development Plan (FNDP 1964-1968) been included in the succeeding national development plans. However, limited resources for investment remains one of the crucial impediments to the attainment of that goal. The financial constraints result not only from insufficient resource mobilisation, but also from uneven allocation of resources. At present, only high-and middle-income households have access to conventional housing finance on affordable terms. The failure to provide finance for housing to low-income groups even extends to governmental agencies and financial institutions which have been set up for that very purpose.¹ It was shown in Chapter Two that the FNDP emphasised the construction of formal housing by the local authorities for rental purposes. Further, employers were also encouraged to build or assist their employees in building their houses. Subsequently, the SNDF (1972-1976) shifted emphasis from rental housing to aided self-help housing through the provision of serviced sites, loans for building materials, and technical assistance. The official acceptance and

expression of intent to upgrade squatter settlements was part of the SNDP. The Third National Development Plan (TNDP 1979-1983), which has been lauded as the most comprehensive in terms of policy formulation, reiterated the home-ownership policy. In this regard, it gave the highest priority to housing for the low-income groups. It urged change in the investment pattern in favour of the lowest-income groups. The TNDP called for high priority to be given to housing for the low-income groups by both government and non-government sectors; the re-orientation of lending policies of parastatals and private financial institutions with a view to affording access to low-income households; and the establishment of a housing bank specifically for the purpose of lending to low-income groups both in rural and urban areas.² The TNDP stated that financial institutions would **play an important** role in financing the housing programme. In the TNDP, it was expected by government that the Zambia National Building Society (ZNBS), the Local Authorities Superannuation Fund (LASF) the Zambia State Insurance Corporation (ZSIC), and other institutions would make available for private borrowers a total of K32 million, primarily for conventional housing, but also, to a limited extent, for self-help housing. The Zambia National Provident Fund (ZPNF) was expected to make funds available to members for the construc-



tion of houses under the home-ownership withdrawal benefit. It must be emphasised that, under the TNDP parastatals and private financial institutions were expected to change their lending policies to comply with the requirements of the housing programme. The government's contribution under the plan was envisaged to be the provision of plots serviced to the levels that could be afforded by the tenants. The government was also expected to undertake the upgrading of the existing sub-standard areas and the provision of off-site infrastructure to serve new and upgraded areas. The plan vowed not to construct prestigious housing. Apart from identifying the financial constraints in the implementation of the housing programmes, the TNDP alluded to constraints of organisational, legislative and administrative nature that were to be eliminated to ensure a successful execution of the programme. Noteworthy, in this regard, is the question of land delivery. The plan projected that 10,000 plots should be made available every six months throughout the plan period. In this connection, local authorities were expected to set aside sufficient land for housing. This land reservation was to be based on local authorities' development plans.

Finally, the plan stressed the need to amend various pieces of legislation to relax the requirements

of, for instance, the Land Survey Act, the Building Societies Act, the Town and Country Planning Act, the Public Health Act, The Lands and Deeds Registry Act, and the National Housing Authority Act. The TNDP demonstrated considerable re-thinking within the party and government. It represented a major effort to correct the past trends and make planning the principal means of promoting the economic development of the country.

6.1 ECONOMIC IMPLICATIONS OF HOUSING DEVELOPMENT

It has been shown in the preceding discussion that the TNDP constituted a departure from previous plans. It was comprehensive, unlike the earlier ones. However, actual achievement did not correspond with public declarations in favour of meeting the housing needs of the urban poor. This section of the dissertation attempts to briefly explore some of the economic implications of housing development. This exploration will, hopefully, highlight some of the probable causes of the widening chasm between declaration of intent and actual achievement. National Development Plans referred to above, have made provision for decent housing as one of their objectives not only in recognition of housing as a basic need, but also in view of the contribution of the housing sector to overall

national economic development. That contribution has three main aspects,

- (a) employment generation in the Construction process and the production of building materials;
- (b) improvement of living conditions particularly the establishment of a healthy environment which leads to greater productivity of the work force;
- (c) provision of services during the utilisation period which usually stretches over 20 - 50 years.³

Economists refer to the first aspect as the multiplier effect. By this, they mean that expenditure on housing construction flows back into the economy in the form of income for the labour force, as well as in the form of demand for building materials which in turn are produced from raw materials and labour creating income and consequently demand for goods and services and raw materials.⁴ The second aspect is not easy to measure. However, the effects of decent housing on health conditions of the population are certainly positive. For instance, decent housing reduces the possibility of epidemic diseases. In any case, the healthy condition of the population is a basic social goal in its own right. With regard to the third aspect, during the utilisation period, housing investment produces services which are valued through rents actually realised or obtainable in the market and which

form part of national income. It is, therefore, clear that housing investment is an important part of national investment in productive capital.

However, one of the main problems of housing finance is that large amounts have to be invested for long periods. In the case of an individual, this means that he has to invest a multiple of his annual income to construct or buy a house - an amount very few might have. On the national level, investments have to be financed from savings, viz, private business or public savings, and the housing sector has to compete for those savings with other investment opportunities and necessities such as the agricultural and industrial sectors. The disadvantages of housing finance are the conventional features of long term (between 15 and 30 years) and fixed returns, and the disadvantages make housing a relatively unattractive form of investment.⁵ That is particularly true for housing for low-income groups, in which investments are regarded generally as insecure. When the allocation of financial resources is left to market forces of demand, supply, and cost, the low-cost housing sector finds it difficult to secure the required financial resources. That is the main reason why the provision of finance for low-income groups rests with the government in most countries.⁶ In view of the magnitude of the housing problem, and huge housing deficits, financing to close the gap between the

demand and the supply of housing units has become one of the most critical and controversial issues of the housing sector.

6.2 HOUSING AND FINANCIAL INSTITUTIONS

The TNDP identified housing finance as one of the crucial factors for a successful implementation, or execution of the housing programme. Financial institutions, and other housing agencies have an important role in financing the housing programme. This section of the dissertation intends to examine the major financial and housing Institutions involved or with the potential of been involved in housing delivery.

6.3 THE NATIONAL HOUSING AUTHORITY (NHA)

It has been stated elsewhere in this dissertation that the most important piece of legislation relating to housing for Africans during the colonial period was the African Housing Ordinance ⁷ which established African Housing areas. By virtue of the same ordinance, the local authorities were explicitly responsible for providing housing to those in need. In 1956, the African Housing Board was set up with an overall responsibility for encouraging, advising, and assisting local authorities in the provision of adequate low-cost housing.⁸ At Independence,

the African Housing Board was re-named the Zambia Housing Board, with basically the same responsibilities. Seven years later, in 1971, the National Housing Authority Act was passed,⁹ and it brought into existence the National Housing Authority (NHA). The NHA Act, provides for a wide range of powers, making the NHA the sole authority for all aspects of housing in the country.¹⁰ These wide ranging powers, contrast with those of the fore-runners which were restricted in their functions and powers. It may have been assumed that the grant of wide powers and functions to NHA would put the institution in a position to cope with the housing problem. These may be divided into three categories, namely advisory, regulatory, and active. The advisory function involves advising the Minister responsible for housing on questions of policy and the housing demand in the country.¹¹ In its regulatory function, the Authority receives and approves building designs from private or public organisations. Its active functions include squatter clearance and upgrading, housing development and the rendering of assistance to local authorities in the planning, construction, and the management of housing estates. In addition, the authority is empowered to set up a revolving fund for housing development, manufacture of building materials, promotion of home-ownership through house purchase schemes, and the establishment of a building

organisation to undertake housing development. The Authority is in connection with the foregoing, empowered to form a limited company to carry out these functions. Apart from performing a consultancy and supervisory role, for local authorities, the authority is also empowered to compel a local authority to build such number of houses as are required to satisfy the housing need.¹² If a local authority fails to abide by the order, the Authority may construct such houses and claim reimbursement of expenses reasonably incurred from local authority.¹³ Further, there is provision for the grant of loans to local authorities for housing construction.¹⁴ Utilisation of these loans is subject to the authority's control. In the same vein, local authorities, may grant housing loans to any person for an outright purchase, or for housing construction. The repayment period is not to exceed thirty years.¹⁵ In practice, however, the NHA and local authorities have never mobilised funds to carry out these functions. Population increases have out-stripped financial resources available for housing development. This situation has been exacerbated by the ever-rising costs of building materials. In any case, it has been the government's policy since the SNDF, to encourage the delivery of serviced plots in preference

to construction of ready-to-occupy houses or rental housing.

6.4 ORGANISATIONAL STRUCTURE

The Authority has a multi-disciplinary consultancy division. This division provides technical services to government departments and quasi-government institutions on matters related to housing and infrastructural development. The division consists of the following:¹⁶

<u>SECTION</u>	<u>FUNCTION</u>
(a) Land Surveying	Typographical, demarcation and Cadastral surveys.
(b) Town Planning	Preparation of site plans for housing development.
(c) Architecture	Preparation of building designs and drawings, preparation of contract documents, tender reports, award of contract and contract administration.
(d) Civil, Structural and Electrical Engineering	Preparation of Civil engineering design and working drawings for construction of roads, storm water drainage, sewerage and water reticulation, structural design and drawings for circuit distribution, control layouts, testing and commissioning of electrical works in liason with ZESCO, Contract administration for civil, structural and electrical engineering.
(e) Quantity Surveying	Preparation of cost estimates for project, preparation of bills of quantities, and contract work, tendering, interim valuations. payment, certificates and final contract accounts.

- | | | |
|-----|---|--|
| (f) | Finance Division | Responsible for accounting and financing of projects, and programmes relating to housing development. |
| (g) | The Direct Building Organisation (DBO) | This is the Direct Construction Company of the Authority, responsible for housing construction and services provision. |
| (h) | Personnel and Manpower Development Division | Responsible for staff training and personnel administration. |
| (i) | The Project Development Unit | Responsible for market research and sales promotion for NHA's housing development schemes. |
| (j) | Kabwata Estates Management Unit | Responsible for the administration of the housing estate and maintenance at Kabwata. |
| (k) | Public Relations Department | Responsible for the Communication function. |

6.5 CONSTRAINTS

The NHA seems to have been established on the premise that it shall be funded by the State. In practice however, NHA derives its capital mostly from financial institutions which levy market rates of interest on their capital on short-term basis. Housing development is therefore, undertaken in full appreciation of the need to repay the loans. Thus, the present source of funding does not permit investment in large low-cost housing schemes. Secondly, although there is provision in the NHA Act for the Authority to

purchase, manufacture, or otherwise acquire building materials on its own behalf or to sell such building materials to meet the needs of the building industry, this is not the case in practice. However, in the recent past the NHA established a hardware shop in an attempt to regulate prices of, hardware. Generally, the NHA exercises no control over organisations dealing with the procurement of building materials in the country. Consequently, rising costs of building materials has resulted in housing units being beyond the reach of the majority of the urban poor. Lack of locally produced building materials has contributed to the rise in the cost of building materials. Finally, NHA is a parastatal body headed by a Managing Director. It is submitted that, that Status does not seem to command sufficient political clout, not only to co-ordinate various housing agencies, and government departments, but also to accord housing the priority it deserves.

6.6 NATURE OF A BUILDING SOCIETY

A building society is set up as a society for the purposes of raising funds. The funds are raised by subscribing members. In this way, a stock or fund for making advances to the members and non-members upon security of, for instance, a leasehold estate is set up. A building

society is in many ways a special kind of association established and regulated under an Act of Parliament.¹⁷ The rights and liabilities of its members depend upon the contract into which they enter with the society upon subscription. The terms of this contract are found in the Society's rules book.

6.7 THE ZAMBIA NATIONAL BUILDING SOCIETY (ZNBS)

Prior to April, 1971, there were three Building Societies operating and registered in Zambia, namely:

- (a) the First Permanent Building Society;
- (b) the Security Building Society and;
- (c) the Zambia Mutual Building Society.

All these societies were by virtue of the Building Societies Act,¹⁸ bodies corporate. Under the same Act, two or more building societies may unite and form one society without necessarily going through a dissolution of the funds of any one of the societies.¹⁹ This can be done by the special resolutions of its members. When such a union or transfer of disengagements is registered with the Registrar of Building Societies, this acts as an effectual transfer, conveyance, and assignment of the funds, property and assets of the uniting societies to the united society.²⁰

Thus in 1970, by virtue of the Building Societies (Amendment) Act,²¹ the ZNBS was established. This brought to four the number of building societies in Zambia, the first three as earlier noted were private societies. By the same amendment of 1970, the Minister was empowered to cancel the registration of any building society if he was of the opinion that it was in the public interest to do so.²² The Act also provided that any building society could by a resolution of its board of directors transfer its engagements to the ZNBS.²³ In April, 1970, the other three building societies transferred their engagements to the newly established ZNBS, a parastatal body. In so doing, there remained only one Building Society in Zambia.

To date, notwithstanding the existence of a provision for the establishment of private building societies²⁴ the Minister may if he is satisfied that it is in the public interest so to do suspend or refuse registration of new Building Societies. It is submitted that the amendment of the Building Societies Act of 1970, and the ultimate establishment of the ZNBS as the sole Building Society in the country, is the product of the economic reforms of the late sixties and seventies. The reforms represented an earnest endeavour by the government to control what was referred to as the "commanding heights" of the economy. The previous

building societies were set up to serve and promote the property interests of a small but affluent middle class largely comprising expatriates, who constituted an elite.²⁵ The pattern of lending by the Building Society has essentially remained the same - urban and middle class - somewhat underscoring the fact that the gap between rhetoric and practice in the poor nations is a stark reality.²⁶ This state of affairs is regrettable because post-independence institutions are supposed to embody a spirit of social justice and to cater for the largest numbers of people. Presently, ZNBS is unlikely to fulfil that role because the high eligibility criteria and the existing legal framework does not conduce to abolition of inequalities.

ZNBS advances are made on the security of a mortgage of freehold or leasehold estate.²⁷ However, as earlier observed the land (Conversion of Titles) Act,²⁸ abolished freehold estates. It has been noted in this dissertation that whereas leases issued to tenants in Statutory Housing Areas create interests in land, occupancy licences issued to occupants of improvement areas do not. In fact, the Housing Act specifically provides that the licence shall confer no tenancy upon the occupant and that possession of the premises shall be retained by the Council.²⁹ Conse-

quently, the majority of the urban poor, in improvement areas, have by law no access to the major institution in the country which lends funds for the development of housing. Apart from this legal constraint, the ZNBS's high eligibility criteria practically excludes the majority of the urban poor. Owner-occupier housing was already high at 15.50 per centum in April, 1985. But by January, 1986, rates on existing loans were raised to 17.50 per centum and to 19.50 per centum on new ones, and 25 per centum on housing other than owner-occupier housing.³¹ In the face of rapidly escalating interest rates, the ZNBS raised its rates to borrowers to meet interest repayments on its own commercial bank borrowings. Clearly, ZNBS is not presently in a position to supply the cheap capital which low-cost housing investment requires. Further, ZNBS does not have a deliberate policy in favour of the low-income groups. However, according to the action taken Report of the Parliamentary Committee on Social Services, the parliament may amend the Building Societies Act to allow low-income groups and particularly, occupants in Improvement Areas to get mortgages without collateral or security.³² Be that as it may, the amendment of the principal Act must be accompanied by identification and mobilisation of relatively cheap local capital to provide low-income housing credit financing. Therefore,

the announcement in the 1988 budget address, of the plan by the party and its government to establish a company to be called Zambia Housing Development Fund Limited, to manage a special housing fund is a long over due step in the right direction. The budget address acknowledged the severity of the housing problem particularly for the low-and medium-income groups. In order to arrest the ever-deteriorating housing situation, the party and its government have decided to create a new specialised financial institution to provide funds at affordable interest rates, to finance both individual and national housing programmes which will cater for the low-and medium-income groups. The Zambia Housing Development Fund limited is a subsidiary of and managed by the ZNBS.

6.8 FINANCIAL INSTITUTIONS: PENSION FUNDS AND INSURANCE

There exists in Zambia a number of financial institutions which could if directed, use part of their financial resources to assist housing construction for the low-income groups. Notable examples are the Zambia National Provident Fund, (ZNPF), the Local Authorities Superannuation Fund, (LASF), the Workmen's

Compensation Fund Control Board, and the Zambia State Insurance Corporation (ZSIC). Although these institutions are financing and facilitating owner-occupier home ownership schemes for their own workers they have no legal authority to lend money to individuals or institutions for house construction, or housing improvement for the low-income groups. Such activity is the sole legal responsibility of the NHA and local authorities. Notwithstanding specialisation in functions amongst these institutions, there is no sound reason why these institutions should not finance house construction or improvement for the urban poor. Paradoxically, the government has since the TNDP (1979-1983) recognised the need for a re-orientation of the lending policies of parastatals and private institutions, with a view to affording access to low-income households. Further, the New Economic Recovery Programme (NERP July 1987-December, 1988) noted that a modification of financial institutions was an important step towards providing housing credit for the low-income groups. It is submitted that it is not enough to simply pronounce that financial institutions should re-orient their lending policies in favour of the low-income groups. These pronouncements should be accompanied by the necessary legislative measures. It is now proposed to examine some of the major financial institutions.

6.9 THE ZAMBIA NATIONAL PROVIDENT FUND (ZNPf)

The Zambia National Provident Fund (ZNPf) was established in 1965 by Act of Parliament, as a parastatal or social security public institution. The ZNPf has a large membership. Almost all in formal employment except those covered under the government pension, members of the Fund, established under the Local Authorities Superannuation Fund Act,³³ members of the Regular Force, within the meaning of the Defence Act,³⁴ members of the University of Zambia Superannuation Scheme for Senior Staff, casual employees³⁵ and any person who is exempt from social security schemes by virtue of the Diplomatic, Immunities and Privileges Act,³⁶ are covered by the Act.

ZNPf derives its funds from members contributions. Each member contributes five per cent of his monthly salary and his employer contributes another five per cent for each of his employees. The coverage of the Fund extends to employers of one or more employees.³⁷ In the financial year 1985/1986, which ended on 31st March, 1986, ZNPf had a total membership of 1,087,594. In the same financial year, members contributed K77.3 million. This amount represented an increase of K16.5 million or 27 per cent over the previous year's contribution.³⁸ This increase in contribution revenue was a result of the raise in the ceiling of statutory contributions from K20 to K30 with effect from 1st October, 1985.³⁹

6.10 BENEFITS

The following benefits are available from the ZNPF:

- (a) Age Benefit⁴⁰ - persons who joined the Fund prior to 1st April, 1973, may claim this benefit at the age of 50. But those who joined the ZNPF after 1st April, 1973, may claim this benefit at the age of 55 years;
- (b) Retirement Benefit - Persons who joined the Fund prior to 1st April, 1973, may claim this benefit at the age of 45, but those who joined on, or after 1st April, 1973, may claim this benefit at the age of 50 years;
- (c) Emigration Benefit⁴¹ - Persons intending to emigrate from Zambia may claim an emigration benefit. This is paid irrespective of the age of the claimant;
- (d) Survivors Benefit - If a member dies before receiving a benefit, the widow or the Administrator of the deceased estate may claim a survivor's benefit from the fund;
- (e) Physical/Mental disability⁴² - If a member is unable to continue in his employment due to physical or mental disability he may claim a disability benefit;

- (f) Maternity Grant Benefit - A maternity grant is a lump sum payment of K120 paid to a mother to assist meeting the general expenses after each confinement;
- (g) Funeral Grant - A funeral grant of K200 is paid on a member's death. A claim is made by an executor or administrator of the deceased's estate;
- (h) Annuity Benefits - A member of the Fund who qualifies to get a benefit may opt to purchase an annuity instead of getting a lump sum payment. The annuity can be purchased from the entire lump sum payment or part of it;
- (i) Supplementary Savings Benefit - This benefit is paid to members of the Fund who during their working life contributed to the Fund's Voluntary Savings Schemes. The benefit is paid on termination of employment or upon qualifying for age benefit at the ages of 50 for old members or 55 for members who joined the Fund after 1st April, 1973.

6.11 HOME OWNERSHIP WITHDRAWAL BENEFIT

On 1st October, 1974, ZNPF introduced a home ownership withdrawal benefit.⁴³ This benefit is intended to assist a member to acquire or build a dwelling house for his own occupation. Under this scheme, members are allowed

to withdraw up to a maximum of sixty contributions less the last two years contributions which cannot be withdrawn. For instance, if a member has thirty-six contributions he will be eligible to claim contributions for twelve months only. The two year's contributions remain in the Fund to enable a member to claim any of the benefits or grants outlined above. This benefit is at the direction of the member payable to one of the following:⁴⁴

- (a) The Zambia National Building Society;
- (b) The District Council in ~~whome~~ whose area the dwelling house is situated or is to be erected;
- (c) the vendor of the dwelling house or;
- (d) a contractor engaged to build a dwelling house.

The benefit may be claimed only once by a member subject to repaying in full any earlier benefit paid on his behalf. The actual benefit of this scheme may be demonstrated as follows. If a member withdraws up to sixty contributions at a statutory ceiling of K30, he will realise a maximum sum of K1,080. It must be noted that ~~this~~ benefit accrues after a period of five years. Granted the high cost of building materials, this benefit is grossly inadequate. It is submitted that there is a definite and urgent need to improve it, if it is to satisfy the objective (house construction or purchase) for which it was established. It is further submitted that, granted the importance of

housing especially on retirement or cessation of employment, the scheme definitely calls for drastic improvement. An examination of the Fund's accounts and the investment patterns shows that such a reform is possible. It would also be in line with the declared government policy of re-orienting financial institutions lending policies in favour of the low-income groups. That ZNPF is a potentially large source of finance for low-income housing is demonstrated by the following analysis. During the 1985/1986 financial year, as earlier noted, the contribution revenue totalled 73.3 million. During the same year, the investment committee approved the following applications;⁴⁵

- (a) K5 million to the ZNBS;
- (b) K30 million to the government towards the 1985 budget;
- (c) K5 million to Kitwe District Council for housing and upgrading of the site and service plots;
- (d) K1 million as additional subscription towards the K10 million additional equity capital floated by the Development Bank of Zambia;
- (e) An additional loan of K820,000 to NIEC Stores Limited to finance outstanding works in respect of a supermarket in Lusaka;

- (f) K1 million to Chipata District Council for low cost houses;
- (g) K3.5 million to PrintPak (Z) Limited for a proposed shop and office block in Ndola;
- (h) K8 million to Indeco Estates Development Company Limited for housing units in Lusaka, Ndola and Kafue;
- (i) K861,400 to the Dairy Produce Board for a new Dairy Plant at Kasama, Sewage System at Mazabuka and two Staff houses at Mazabuka and Chipata;
- (j) K500,000 to the Kenneth Kaunda Foundation towards purchase of a block of flats for staff housing;
- (k) K5 million to ZIMCO Properties to finance the installation of new lifts in the FINDECO building; and
- (l) in concert with other lenders, the Committee approved the conversion of loans including interest amounting to K28 million as at 31st March, 1984 given directly or through consorting to NCZ Limited, into 12 per cent cumulative redeemable preference shares. The actual investments made by the Committee during the year under review are shown in Appendix 1.

During the same year, claims totalling 26,165 were processed, resulting in K28.7 million being paid out to members. In conclusion, it is submitted that ZNPF is one of the financial institutions which can substantially assist in the provision

of credit for low-income groups, for housing development.

6.12 THE WORKMEN'S COMPENSATION FUND CONTROL BOARD

The proposal for the State to operate a workmen's compensation scheme was brought to the legislative Council of the then Northern Rhodesia in 1963.⁴⁶ The Workmen's Compensation Bill of 1963, had as its primary object the establishment of a scheme which would be administered and controlled by a Statutory body to be known as the Workmen Compensation Fund Control Board. The establishment of the Workmen's Compensation Scheme demonstrates the acceptance of the fact that injuries are an incidence of Industry. Thus, workmen injured while conscientiously carrying out their duties should receive the fair compensation for their injury without having to prove legal fault or negligence. The Act incorporates the principle of liability without fault. The employer is assessed in advance, the compensable costs of a potential industrial accident as a matter of public policy. Consequently, the role of lawyers and courts in assessing entitlements to or the amount of Compensation is largely eliminated.

The administration of the Fund is vested in the Board, which is established by the Workmen's Compensation Act.⁴⁷ The Fund derives its revenue from assessments

paid by employers. Unlike ZNPF, employees do not contribute to the Fund. Section 47 states that any employer who withholds any money due to any of his Workmen which the employer is liable to pay as compensation or assessment shall be guilty of an offence.⁴⁸ On conviction, any such employer is required to pay to the workmen any sum which he has unlawfully required or permitted the Workmen to contribute.

Liability to pay assessments extends to every employer except:

- (a) the State; and
- (b) any employer exempted by the Minister under the provisions of Section 105 during the period of such exemption.⁴⁹

This last exemption may only be granted if an employer proves, to the Minister's satisfaction, that he has established and made provision for the maintenance of a fund for insurance against any liability in respect of all workmen employed by him, and that he has deposited with the Board sufficient security to meet all claims for compensation which may be due or become due under the provisions of the Act.⁵⁰ In view of the conditions that have to be satisfied before an exemption is granted, it appears more economical to pay assessments than seek an exemption.

6.13 APPLICATION OF FUNDS

The monies of the Fund are primarily meant to meet compensation and administrative costs.⁵¹ Any surplus in the Fund may, with the approval of the Minister after consultation with the Minister responsible for Finance, be applied by the Board in the reduction of future assessments, or may be transferred to reserves, or may be allowed to remain in the Fund and any deficiency in the Fund may be made good by an increase in the amount of any future assessment.⁵² All monies received by the Board or by the Commissioner on behalf of the Fund shall be paid into a Banking account.⁵³ Nonetheless, the Board has restricted powers to invest in real estate by acquiring property in trust for the Fund.⁵⁴ The Board holds the remainder of the Fund in investments approved either generally or specifically by the Minister responsible for finance.⁵⁵ The record of performance of the Board for the year ended 31st March, 1986 is shown in Appendix two and three. It may thus be concluded that the Board can be specifically directed to assist in the provision of low-income housing credit. It is submitted that such a provision may not only be permitted by the funds but also by Workmen's Compensation Act.⁵⁶

6.14 THE AUTHORITIES SUPERANNUATION FUND

The Local Authorities Superannuation Fund (LASF) was established in the early 1950's to primarily cater for pension rights for the colonial white workers in the then local authorities and affiliate bodies, such as the Victoria Falls Power Act,⁵⁷ and the then Northern Electricity Supply Corporation Limited. At the time, it was not possible for indigenous Zambians to join this pension scheme. The eligibility criteria discriminated against indigenous Zambians to join this pension scheme. However, in 1963 the Local Authorities Superannuation Fund Act extended rights to every employee of Local Authorities irrespective of their race. The minimum requirement for qualifying to the scheme was that one should be in the employ of an associated authority for at least two years; attain the age of 18 years and above; be in receipt of an annual income of £250.00.⁵⁸

The Fund draws membership from all employees of District Councils in the country, NHA employees, and Zambia Electricity Supply Corporation, (ZESCO) employees. Membership is estimated at eighteen thousand (K18,000).⁵⁹ It should be noted that membership is not limited to the foregoing institutions. The term "local authority" as provided

in the Act may mean, any other authority or body of persons in Zambia, which the Minister may at the request of such authority or body and with the prior approval of the Committee, declare by statutory notice to be a local authority for the purposes of the Act.⁶⁰

The Fund is managed by a management committee which is a body corporate.⁶¹ The Fund's major source of revenue is contributions by members.⁶² The contributions by members are in fact charges upon the salary or wages payable to such member and are thus deducted by associated authorities from the source. These contributions are then later remitted to the Fund.

6.15 APPLICATION OF FUNDS

The moneys contributed by members of associated authorities are primarily intended for the following purposes:

- (a) the payment of benefits;
- (b) the payment of expenses incurred in connection with the management of the Fund;
- (c) to make good losses incurred in the value of any assets of the Fund; and
- (d) the making of payments authorised to be made out of the Fund under the provisions of the Act.

6.16 INVESTMENT

The Management Committee has discretion to invest any moneys of the Fund in excess of expenditure in any of the following ways:

- (a) in the post office savings bank;
- (b) in any registered building society;
- (c) in government stock or securities;
- (d) in local authorities or any public body as loans; and
- (e) in such security or securities as may be approved generally or specifically by the Minister.⁶³

At present the Fund has apart from its deposits in the ENBS, invested in real estate. Granted the large membership which the Fund enjoys, it also has the potential to invest or assist in the provision of finance for low-income housing.

6.17 THE ZAMBIA STATE INSURANCE CORPORATION (ZSIC)

The Zambia State Insurance Corporation Limited was established in 1968, as a State-owned company with the main objective, initially, of providing motor insurance for the general public at reasonable rates. ZSIC then operated alongside other private insurance companies. In

1970, as part of the Economic Reforms, President Kaunda announced that "no Company other than the Zambia State Insurance Corporation Limited would be allowed to write insurance business from 1st January 1971". This announcement was followed by the Insurance Companies (Cessation and Transfer of Business) Act 1970. This instrument facilitated the monopoly of insurance business by ZSIC. Since then, the corporation has been the sole insurance company in Zambia.

6.18 PREMIUMS

The major source of the funds of ZSIC are the premiums from both life and non-life policy holders. The Insurance Act ⁶⁴ mainly deals with life policies, while general insurance is covered by Article 3(9) of the memorandum of association which empowers the corporation to carry on fire, marine, accident, employers liability, burglary, robbery, theft, fidelity and transit insurance.

6.19 INVESTMENT

Unlike the pension funds earlier considered, investment patterns or policies of ZSIC, are not governed by the Insurance Act, but by the memorandum of association. There are two basic strategies, viz, short - and medium-term, and long-term investments. The former consists of

shareholding in other companies, loans to Commercial Banks, loans to state controlled parastatal companies, and government securities. Further, ZSIC has diversified its investments by going into agriculture, via Lukanga Company Limited, a wholly owned subsidiary of ZSIC. The latter, (long-term investments) has taken the form of investment in real estate. In this regard, the corporation has registered the Avondale project as its subsidiary company of the Corporation. The project consists of a complex of residential houses, offices and shops. In addition, the corporation owns a number of buildings leased for office accommodation, blocks of flats and houses in major towns of the country. To date the investments of the corporation in real estate stand at K215 billion.⁶⁵

6.20 PERFORMANCE

ZSIC has over the years, maintained an impressive solvency margin. This has mostly been due to the widening of the scope and coverage of insurance services and the continuous and judicious spread of its investments in real estate where capital appreciation has been significant. For instance, during the year 1987, the profit before tax was K36.8 million. This was 77.8 per cent above the profit of K20.7 million achieved in the previous year. In view of the satisfactory result, there was provision for a dividend of K5 million, along with transfers to

reserves of K15.1 million. At the end of the financial year, the Reserve Fund stood at K149.7 million providing a solid financial base to the corporation. Additionally, insurance funds grew from K418.4 million in 1986 to K527.2 million in 1987.⁶⁶ Thus, after a tax provision of K16.6 million the profit after tax amounted to K20.1 million. The same was appropriated as shown in Appendix four. ZSIC by reason of the nature of its business requires all the time to have sufficient technical reserves to cover unexpired risks and particularly, an unexpected major catastrophe. However, granted the current levels of its reserves, it is without a doubt one of the potential and major sources of credit for low-income housing.

6.21 EVALUATION OF THE EXISTING HOUSING AND FINANCIAL INSTITUTIONS

Notwithstanding the fact that home ownership has been the cornerstone of government housing policy since independence, only the people in the high income groups have to some extent achieved that objective. Conversely, people in very low-income groups have had no access to funds for housing, which has meant that the very poor have built their sub-standard houses in unauthorised settlements in the urban areas.⁶⁷ The housing and financial institutions have primarily concentrated investment in high and medium income housing, or formal low-income housing.⁶⁸

Although the government has since the TNDP (1979-1983) and recently in the New Economic Recovery programme (July 1987 to December, 1988), called for high priority to be given to low-income group housing by both government and non-governmental sectors, very little seems to have been done in that direction. If anything, the bias towards construction of medium and high cost housing units, most of which are sold to individuals in the higher income groups and institutions, continues. Policy pronouncements in favour of investment in low-income housing, have not been accompanied by legislative measures in support of investment in low-income housing. For instance, although financial institutions have been called upon to modify their lending policies in favour of low-income groups, they have not been directed as to how these changes are going to be given effect. In fact, some of the laws governing these institutions (such as ZNBS) insist on secured lending. Given the fact that most of the low-income households live in improvement Areas (where District Councils issue occupancy licences) and unauthorised settlements, the requirement for securing a mortgage puts the available funds beyond the reach of the low-income groups.

Further, the mortgage interest rates are unaffordable for a large proportion of the population who fall in the

low-income group. A consideration of the various pension funds (namely ZNEF, Workmen's Compensation Fund Control Board, and LASF) and ZSIC has demonstrated the fact that these institutions do, in fact, have excess money, part of which they could, if specifically directed by government, invest in low-income housing. Given their specialised function, direct involvement may, it is submitted, neither be desirable, nor feasible. Nevertheless, these institutions could be directed to make available at less than the market rates their excess money to, for instance, the Zambia Housing Development Fund Limited, for onward lending to the low-income groups. This, it is submitted, is one way of providing access to credit for low-income households through a policy re-orientation of those financial institutions.

As earlier noted, the NHA is by law empowered to invest in low-income housing. However, one of the major constraints it faces in this regard, is lack of relatively cheap capital or at least capital or money which can be lent to it at less than the market rates. Finally, it is submitted that in mobilising capital, the NHA should, with government assistance, look to, for instance, the pension funds and ZSIC, as some of the potential sources of capital to finance either low-income housing or squatter upgrading programmes.

FOOTNOTES

1. Ramachandra, A., The Promotion of Non-Conventional Approaches to Housing Finance For Low-income groups TABITAI, Nairobi, 1984.
2. Office of the President National Commission for Development Planning, Third National Development Plan, 1979-1983.
3. Ramachandra, A., op. cit. p.1
4. Ibid, p.1
5. Ibid, p.2.
6. Ibid, p.2.
7. Northern Rhodesia Urban African Housing Ordinance Chapter 234 Government Printer, Lusaka, 1948.
8. Local Government and African Housing Department Report, 1956 p.9
9. Chapter 426 of the Laws of Zambia.
10. S.19(1) of Chapter 426 of the Laws of Zambia.
11. S.20 of Chapter 426 of the Laws of Zambia.
12. S.65 of Chapter 426 of the Laws of Zambia.
13. S.25 of Chapter 426 of the Laws of Zambia.
14. S.48 of Chapter 426 of the Laws of Zambia.
15. S.50 of Chapter 426 of the Laws of Zambia.
16. Chabuputa, W., The Role of the National Housing Authority in the Provision of Shelter. 24th July, 1988 (unpublished).
17. Chapter 708 of the Laws of Zambia.
18. S.7 of Chapter 708 of the Laws of Zambia.
19. S.98 of Chapter 708 of the Laws of Zambia.
20. S.101 of Chapter 708 of the Laws of Zambia.

21. Act No. 67 of 1970.
22. S.4(A) of Act No. 67 of 1970.
23. S.4 (100A) of Act No. 67 of 1970.
24. S.3 of Chapter 708 of the Laws of Zambia.
25. Chikwanda, A., Building Society An Urban Preserve
(Zambia Daily Mail 19th Marcy, 1987 p.3)
26. Ibid, p.3.
27. S.61 of Chapter 708 of the Laws of Zambia.
28. Chapter 289 of the Laws of Zambia.
29. Clause 7 of the Fifth Schedule of Chapter 441 of the Laws of Zambia.
30. Zambia National Building Society Directors Report
and Accounts for the year ending 31st Marcy, 1985 p.1
31. Ibid, p.1
32. Zambia Daily Mail, Tuesday 23rd February, 1988
p.1 "Poor May Receive Mortgages".
33. Chapter 476 of the Laws of Zambia.
34. Chapter 131 of the Laws of Zambia.
35. Casual employees in respect of whom no order has
been made under S.14 (3) of Chapter 513 of the Laws
of Zambia.
36. Chapter 36 of the Laws of Zambia.
37. S.13 of Chapter 513 of the Laws of Zambia.
38. Zambia National Provident Fund Board, Twentieth Annual
Report, 1985/86 p.6
39. Statutory Instrument No. 134 of 1974.
40. S.27 of Chapter 513 of the Laws of Zambia.
41. S.30 of Chapter 513 of the Laws of Zambia.

42. S.29 of Chapter 513 of the Laws of Zambia.
43. Statutory Instrument No. 136 of 1974.
44. Paragraph 2 of S.I No. 136 of 1974.
45. Zambia National Provident Fund Board:
Twentieth Annual Report 1985/86 p.8
46. Northern Rhodesia Hansard No, 108 of the Legislative Council First Session Workmen's Compensation Bill 18th June, 23rd August, 1963.
47. S.12 of Chapter 509 of the laws of Zambia.
48. S.47 of Chapter 509 of the Laws of Zambia.
49. S.104 of Chapter 509 of the Laws of Zambia.
50. S.105 of Chapter 509 of the Laws of Zambia.
51. S.98 of Chapter 509 of the Laws of Zambia.
52. S.98 of Chapter 509 of the Laws of Zambia.
53. S.102 of Chapter 509 of the Laws of Zambia.
54. S.101 of Chapter 509 of the Laws of Zambia.
55. S.102(3) of Chapter 509 of the Laws of Zambia.
56. S.102 (3) of Chapter 509 of the Laws of Zambia.
57. Chapter 810 of the Revised Edition.
58. Munsaka, J.S., The Law Governing Security Schemes in Zambia LL.M Dissertation
University of Zambia, January 1987
(unpublished).
59. Interview with P. Chamutangi, Legal Officer, LASF, 8th August, 1988.
60. S.2 of Chapter 476 of the Laws of Zambia.
61. S.5 of Chapter 476 of the Laws of Zambia.
62. S.19 of Chapter 476 of the Laws of Zambia.

63. S.12 of Chapter 476 of the Laws of Zambia.
64. S.30 - 53 of Chapter 705 of the Laws of Zambia.
65. Interview with R. Zulu, Real Estate Manager,
ZSIC held on Friday 4th
August, 1988.
66. The Zambia State Insurance Corporation Limited:
Annual Report and Accounts 1987, p.5
67. Bahal, J.K., Housing Finance for Low Income Groups
in Zambia (unpublished).
68. Ibid, p.8

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

7.0 HOUSING POLICIES

In commenting critically on Zambia's housing policies and performance, one should not underestimate the magnitude of the problem that faced the immediate post-independence government. Apart from the constitutional freedom of movement which accompanied political independence and hence allowed people to move without police interference, the government inherited a housing system with a huge backlog. It was noted in the introduction that the most important piece of legislation relating to housing in the colonial period was the African Housing Ordinance of 1948. This ordinance amongst other matters, obligated employers to provide or pay for accommodation for their workers with their wives. Notwithstanding the provisions of the ordinance, many employers circumvented their obligations by simply paying their workers meagre housing allowance instead of meeting the costs of building houses for their workers. Consequently, unauthorised human settlements mushroomed. Attempts by public authorities to erase squatter settlements in the immediate post-independence period failed.

The first official housing programme of 1965, aimed at constructing as many housing units for renting as possible. However, it soon became obvious that the nation's resources could not permit construction of rental housing to meet the housing demand. Apart from the limitation on resources, there was a bias towards construction of medium and high cost housing units.

The SNDP officially accepted squatter settlements as part of the nation's housing system. The squatter settlements were recognised as national assets. Squatter settlements, if well and judiciously planned, guided and utilised, could represent assets both in social and financial terms. Wholesale demolition of good and bad houses alike was condemned. Further, the SNDP brought a shift in emphasis in favour of the site and service schemes.

7.1 THE HOUSING ACT

The official acceptance of existing squatter settlements, and renewed emphasis on site and service schemes, were followed with regularisation of tenure. This was achieved through the Housing Act of 1974. Tenants and occupants in site and service schemes, and squatter upgraded areas, were issued with Council certificates of title and occupancy licences respectively. It was envisaged

at the time that the grant of title deeds would not only provide security of tenure for the tenants and occupants, but would also generate more investments in these areas. This assumption was premised on the fact that title deeds particularly in Statutory Housing Areas, could serve as security. However, it has been shown in the preceding Chapter that access to credit for housing does not simply turn on the question of security of tenure, but, inter alia, on eligibility based on income and age. In addition, there is also the question of affordability. The current interest rates are beyond the means of the low-income groups. Further, occupancy licenses are not recognised as collateral. For instance, the Building Societies Act,¹ which governs the operations of the ZNBS, provides² that advances made by a Building Society shall be on the security of a mortgage of leasehold estate. The occupancy licence creates no tenancy and possession of the premises is retained by the Council, subject, of course, to the rights created by the licence.³

7.2 HOUSING AND PLANNING

It is the basic theme of the fourth Chapter that housing and planning are inseparable. Nonetheless, urban planning and housing in practice operate within their respective statutory framework, and often without

much co-ordination or co-operation. The thrust of the planning system introduced in 1947, was to control private development. This "check and balance" system was achieved through the provision of development plans. Development plans set out future land uses of towns and cities. It is this system of town planning that was introduced with the advent of British colonialism, and which has come to remain as a colonial remnant. These plans demonstrate a great deal of rigidity and, as a result, are too inflexible to accommodate rapid urban change. Yet, it has been shown that one of the most crucial tasks of urban management is to assist in the absorption of the rapidly growing urban population in such way that basic needs are met. Consequently, because of the rigidity of the land use controls, and the inability to plan for the housing development of the low-income groups, squatter settlements continue to proliferate on unoccupied land zoned for other purposes.

7.3 MANAGEMENT OF AIDED SELF-HELP HOUSING

The most important institutions which have been involved in the management of aided self-help housing are District Councils. It has been noted that since the emphasis by governments on the provision of site and service schemes, as a housing alternative, District

Councils have been directed to provide sufficient planned and serviced plots. However, most District Councils, due primarily to financial constraints, have been unable to deliver serviced land independent of international donor agencies. For instance, in 1974, the World Bank in conjunction with the government made available to the then Lusaka City Council (LCC) a sum of K26.5 million for the upgrading or improvement of housing standards for about 29,000 households, approximately 40 per cent of Lusaka's population at the time.⁴

7.4 COST RECOVERY

It must be noted that cost recovery is an important aspect of squatter upgrading and site and service projects. It is considered that good housing solutions must be replicable on a large scale. However, complete recovery is not **always** feasible. The experience in Lusaka shows poor rates of recovery of both service charges and loan repayments. The general deterioration of the quality of services rendered in these areas by the local authorities may, also account for the high default rate. Keare¹⁴ bluntly contends that default is not related to income levels, as delinquent families at all income levels are observed to have paid higher rents previously to landlords under threat of eviction. It is recommended that

Councils should utilise fully their power provided for under the Housing Act to evict.¹⁵ It is important to impress upon the tenants and occupants of the Statutory Housing Areas and Improvement Areas that they will have to leave the schemes or project areas if they default. Such policies are politically very unpopular and therefore politicians must be excluded when it comes to their implementation, if they are to succeed.¹⁶ Efficient collection of service charges must be followed by re-investment of the money collected in the schemes and project areas. The residents should, through the grassroot political structures, participate in the determination of what projects or programmes should be financed from the service charges collected. It is submitted that such an approach is likely to inculcate a sense of civic responsibility in the residents and probably improve the cost recovery record.

7.5 STAFFING

The question of staffing in squatter upgrading and site and service areas does not only require the provision of professional engineering, planning, survey and financial personnel, but also field staff to handle relationships both with individual participants and with community groups.⁵ Managing self-help housing involves

a variety of tasks: briefing and communication with participants, plot allocation, loan applications, resettlement, building advice, and the supervision of community self-help contributions to infrastructure. These requirements were met during the era of the Housing Unit Project, because the unit was then largely self-contained.

RECOMMENDATIONS

7.6 NATIONAL HOUSING POLICY

There is a definite need to formulate a comprehensive national housing policy and programme. Although it was noted in Chapter Six that the TNDP (1979-1983) was comprehensive on the housing sector, there is the ever present lag between policy pronouncements and their implementation. For instance, although financial constraints have been properly identified as one of the most serious impediments to the provision of shelter for the low-income groups, yet, to date, no positive measures have been taken to re-orient the lending policies or investment policies of the various national institutions considered in Chapter Six. Notwithstanding the establishment of the NHA to cater for the housing requirements of the nation, the Authority has for various reasons, only managed to meet the housing

requirements of a minority, notably the middle and high income groups.

In order to check lopsided investment in housing, there is an immediate and urgent need to create a Ministry of Housing. Such a Ministry would be particularly concerned with the implementation of comprehensive housing policies and programmes. In this regard, it would also undertake a comprehensive monitoring and evaluation of various housing projects in the country. As part of the suggested national housing policy, there is also need, especially in view of the huge housing demand compared to the official housing stock, to recognise and regularise all existing squatter settlements. This regularisation should be followed by squatter upgrading programmes. Although re-location and eradication of squatter settlements is seen as self-defeating since they reduce the housing stock there is a discernible element of ambivalence on the part of the authorities. There has been in the recent past an unsuccessful renewal of the "bulldozer policy"⁶ of the 1960's.⁷

7.7 SITE AND SERVICE SCHEMES

These schemes were initially intended as an alternative to local authority rental housing (rather

than as shelter requirements for the lowest income-groups).⁸ However, these schemes have proved to be too expensive and formal in their requirements for the poorer sections of the community. One of the major contributing factors, is that the standards of fully serviced sites are such that the infrastructure development process takes long. Sites which take from two to three years to select, plan, finance and service are ill-adapted to the needs of the rapidly increasing numbers of the low-income population. The high standards of sanitation and access place a burden on the beneficiary before construction is commenced.⁹ It is, therefore, recommended that the servicing standards should be reduced. Eliminating access or constructing a simple skeleton road system or foot-path network achieves substantial savings without any marked loss of amenity to the residents most of whom do not and may never own a car.¹⁰ Likewise, eliminating water-borne sanitation - however desirable it might be in itself - reduces the cost of the plot and the cost of the house, since it eliminates the costly fittings and plumbing work and the monthly charges, using less water and no sewage to treat.¹¹

7.8 LAND DELIVERY

The provision of land and services in sufficient quantities in suitable locations on a continuous basis is

a fundamental requirement of any comprehensive housing policy. This land supply mechanism should be developed in the **appropriate** ministries. The main method at the disposal of the government is the power to compulsorily acquire. This can be either for a specific housing development or in advance of need.¹² The need for an effective land delivery system is urgent as the low-income groups have already demonstrated that they can effectively participate in the housing system if given access to land, particularly when they are granted security of tenure. Further, the problem generated by the growth of squatter settlements cannot be solved unless adequate amounts of land are made available. In order to prevent the formation of new squatter settlements, it is recommended that adequate land must be made available as the need arises. The locations¹³ of such settlements must always be of prime consideration.

7.9 ZAMBIA HOUSING DEVELOPMENT FUND LIMITED (ZHDF)

The formation of the Zambia Housing Development Fund Limited (ZHDF) to manage a special housing development fund was announced in Parliament in the January, 1988, budget address. The Fund's primary role is to

provide funds at affordable interest rates to finance both individual and national housing programmes for the low-and medium-income groups. The ZHDF is established as a subsidiary of and managed by ZNBS. The ZHDF is expected to be a driving force in the mobilisation of both domestic and international financial resources for the development of low-cost housing in the country. The ZHDF will, in effect, fulfil the role of a National Housing Bank, the need for which was recognised even in the TNDP (1979-1983) but failed to materialise during the plan period.

In order for the ZHDF to provide housing finance for low-income groups, this dissertation recommends the following measures:

- (a) if it is to operate commercially, the Fund must have a long-term commitment to receive funds at well below market rates to enable it to advance loans at well below market rates; the interest rate is the most important factor in the calculation of the monthly repayments on any long-term loan;
- (b) in conventional housing finance, a title deed is required for a mortgage; in low-cost housing finance, that requirement should be modified by

amending the appropriate legislation, particularly the Building Societies Act¹⁷ which provides that a mortgage should be created on the security of a leasehold interest; such an amendment would extend housing finance to holders of occupancy licences in Improvement Areas and also holders of land Record Cards in site and service scheme, pending their declaration as Statutory Housing Areas;

- (c) in low-cost housing finance, loans should be kept small, short-term, and frequent; this way, the question of security for the loan becomes less important and there is a built-in incentive to pay;¹⁸
- (d) The issue of cost recovery is crucial to the survival of any scheme on low-cost housing development; It has been noted in the preceding Chapters that poor loan recovery has been a major contributor to the inability of site and service schemes to replicate themselves, and to a general deterioration in the social and physical infrastructure.

The question of cost recovery becomes even more critical to the ZHDF, mainly because of the high risk attending low-income groups. The following measures may prove conducive to effective and efficient cost recovery:

- (i) proper appraisal of applicants, to ensure that only individuals committed to the scheme are allowed to participate;
- (ii) full understanding of financial obligations by participants;
- (iii) project participants should be able to afford the required repayments.
- (iv) adequate and appropriate sanctions against defaulters, backed up by especially political support and legislative measures.

The organisational structure of ZHDF should in addition to the usual positions of General Manager/Managing Director, Director of Operations/Project Director, Director of Finance/Finance Manager, and Mortgage Manager, include a wide-based community development cadre. It is recommended that, given the NHA's strong resource base, in terms of professional and consultancy services, ZHDF could well utilise that resource.

Finally, some views, conclusions and recommendations made in this dissertation may be considered inappropriate for economic, cultural, or political reasons. However, if this dissertation excites a renewed interest or invigorates present interest in the debate on housing for the

low-income groups, it will by and large have achieved its objective. The message really is this: time has come for new thinking.

FOOTNOTES

1. Chapter 708 of the Laws of Zambia.
2. S.61 of Chapter 708 of the Laws of Zambia.
3. Clause 7 of the fifth schedule of Chapter 441 of the Laws of Zambia.
4. Mwendapole, I.K., The Lusaka Urban Upgrading and Sites and Services Programme in Zambia, 1985, p.68.
5. Swain, P.J., Management of Sites and Services Housing Schemes (New York, 1983)
Wagelin, E.A. p.53.
Panchee, K.,
6. The "Bulldozer" Policy" favours eradication of Squatter Settlements.
7. See Item entitled "Squatter Debate Sparks Row" Zambia Daily Mail, 11 April, 1988.
8. Martin, R., Urbanisation, Squatter Settlements and Upgrading, 1975, p.55.
9. Ibid., p.63.
10. Ibid., p.63.
11. Ibid., p.63.
12. Mac Auslan, P., Urban Land and Shelter for the Poor (London, 1984,)p.86.
13. International Year of Shelter for the Homeless Sub-Regional Seminars on Shelter Strategies and Programmes for SADC Countries 25-29, March, 1985, Lusaka, Zambia.
14. Keare, D.H., Evaluation of Shelter Programmes For the Urban Poor
Parris, S., Principal Findings World Bank paper 547, 1982, p.46.
15. Chapter 441 of the Laws of Zambia.
16. Martin, R., op. cit, p.64.
17. Chapter 708 of the Laws of Zambia.
18. Mc Auslan, P., op.cit, p.46.

APPENDIX 1

	AMOUNT K 000	PERCENTAGE %
Loans to GRZ	30, 000	26
Loans to District Councils	1, 223	1
Parastatal Bodies	32, 263	28
Private Sector	1, 283	1
Fixed term deposits (ZNBS)	5, 000	5
Banks	41, 500	36
Equity	1, 500	1
Real Estate (Boards own)	2, 039	2
TOTAL	114, 908	100

SOURCE: ZNPF Twentieth Annual Report 1985/1986

APPENDIX 2

1986

	K	K
<u>CASH RECEIVED</u>	5,039,102	
<u>ACCIDENT FUND</u>		
<u>OTHERS</u>	225,827	
PENSIONS PAID		5,264,929
		<u>3,676,194</u>
EXCESS OF REVENUE OVER PENSIONS PAID FOR THE YEAR		1,588,735
INTEREST ON INVESTMENTS		1,930,271
RENT RECEIVED		1,023,328
OTHER INCOME		5,153
EXPENDITURE		2,958,751
		1,252,611
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR		<u><u>3,294,881</u></u>

SOURCE: WORKMEN'S COMPENSATION FUND CONTROL BOARD
ANNUAL REPORT 1987

APPENDIX 3

PENSION FUND APPROPRIATION ACCOUNT FOR THE YEAR ENDED
31st MARCH, 1986

K

EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	3,294,881
PENSION FUND AT 1ST APRIL, 1985 PRIOR ADJUSTMENT	42,365,156 (133,499)
PENSION FUND AT 31ST MARCH, 1986	<u>45,526,538</u>

SOURCE: WORKMEN'S COMPENSATION FUND CONTROL BOARD
ANNUAL REPORT: 1987

APPENDIX 4

	1987 K 000	1986 K 000
PROFIT AFTER TAXATION	20,136	15,940
DIVIDENDS	5,000	3,200
TRANSFER TO GENERAL RESERVES	15,136	12,740

SOURCE: ZISC ANNUAL REPORT AND ACCOUNTS 1987

BIBLIOGRAPHY

BOOKS

- Mc Auslan, P., Urban Land and Shelter For the Poor
(International Institute for Environ-
ment and Development London,) 1985.
- Hawkesworth, E.N., Local Government in Zambia
(Zambia Printing Company, Lusaka),
1974.
- Kaunda, K.D., Humanism in Zambia
(Government Printer, Lusaka)
October, 1967.
- Knauder, S., Shacks and Mansions. An Analysis of
the Integrated Housing Policy in Zambia
(Multimedia Publications, Lusaka, Zambia)
1982.
- Maudsley, P.Hl., Land Law Cases and Materials
Burn, E.H., (Butterworths, London), 1980.
- Pasteur, D., The Management of Squatter Upgrading
(David Green Printers Ltd) 1979
- Schlyter, A., George - The Development of a Squatter
Schlyter, T., Settlement in Lusaka, Zambia
(Swedish Council for Building Research),
1979.

THESIS

- Collins, J., Evolution of Urban Housing Policies in
Zambia with Special Reference to Lusaka
(M sc Columbia University, 1970).
- Mbao, M.L.M. Legal Pluralism and its Implications for
Land Ownership and the Control of Land
Use in Zambia.
(M. Phil University of Cambridge), 1982).
- Mulenga, A.D.N. Housing Cost and the Plight of the low-
income group. A case for the Squatter
Settlements in Lusaka.
(M sc University of Wales, 1979).

THESIS

- Mulimbwa, A.C. Urban Law and Housing Policy in Zambia (LL.M University of Zambia, 1980).
- Mungongaila, L.M., Constraints in the Development and Implementation of Squatter Settlements Improvement Programmes (M.T.C.P. Sydney, Nov. 1985).
- Munsaka, J.S., The Law Governing Security Schemes in Zambia (LL.M University of Zambia, 1987).
- Ndulo, M.C., An Analysis of a Low-income Housing Market in Urban Zambia (Ph.D Michigan University, 1983).
- Ng'andu, W., The Preparation and Implementation of the Development Plan for the City of Lusaka. (M Sc University College, London, 1987).
- Seymour, T, Squatters, Migrants and the Urban Poor (D.Phil Sussex University, 1976).
- Wincott, W., Some Aspects of the Growth and Development of An African Urban Society in Zambia. (Bachelor of Letters, University of Oxford, 1966).

RESEARCH PAPERS

- Bahal, J.K., Housing Finance for Low-income Groups in Zambia.
- Chabuputa, W., The Role of the National Housing Authority in the Provision of Shelter (July, 1988)
- Collins, J., Home Ownership: Aspects of Low-cost Housing in Lusaka.
- Kaluba, S.M., Housing, Socialism and National Development (Rotterdam, March, 1981)