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**AN ASSESSMENT OF THE VIABILITY OF HOUSING CO-OPERATIVES FOR
LOW INCOME GROUPS IN ZIMBABWE:**

A Case of Emganwini Bulawayo.

By

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**Thesis submitted to the University of Fort Hare in fulfillment of the requirement of the
Masters of Social Science in Development Studies.**

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January 2012

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DECLARATION

I, Olgah Mabusa hereby declare that this dissertation is my own original work and that it has not been submitted or will not be presented at any other University for a similar or any other degree award.



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.....
Signature

.....
Date

ACKNOWLEDGEMENTS

First and foremost I ascribe all glory, honour and praise to God almighty for granting me the grace to reach this level. He is Jehovah-Nissi who lifts up a standard for me.

Secondly, I would like to thank Doctor S Mago for his expert supervision, his support and intellectual guidance and scholarly advice. I really appreciate your commitment and dedication towards the completion of this study.

I would like to express my gratitude to the Government of Zimbabwe for the opportunity and financial support provided for me during my studies.

A particular thank you to the Chairman, Secretary and members of Emganwini Housing Co-operative for your interest and participation in this study. I would like to express gratitude to both my research assistants for their profound help and patience during my data collection and my translator for his proficiency in the Ndebele language.

My heartfelt appreciation goes to my loving family for their prayers and moral support. A special thank you to my husband and my parents, Mr. and Mrs. Mabusa, it's been your love and words of wisdom that kept me going even when all else seemed stagnant. A special thanks to my son and daughter for being patient and tolerant, while I was away from home pursuing my studies.

Lastly I would like to thank my dearest sisters for believing in me and friends for their support and encouragement.

God bless you all.

DEDICATION

This work is a dedication to my devoted husband Tichaona, my son Nigel and daughter Sheirly. My husband has been a constant source of inspiration and has supported me in all my endeavors. I love you all *zithandwa zami*.



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ABSTRACT

Housing provision is considered to be a human right internationally, however the problem of inadequate housing is persistent especially in developing countries, and Zimbabwe is not an exception. Housing co-operatives can offer an alternative provision especially to the low income earners who are less likely to obtain houses through conventional housing finance schemes. However, the viability of housing co-operatives in Zimbabwe is questionable because they encounter a myriad of problems which threaten their operations.

The objective of the study was to assess the potential viability of Emganwini housing co-operative in facilitating the provision of housing to the homeless low income earners in Bulawayo province of Zimbabwe. The study specifically sought the challenges that housing co-operatives usually encounter in a bid to identify measures which may be used to capacitate them as housing provision agents.

The study followed a qualitative methodology and data was collected through the use of a case study research design. Primary data was obtained from members of the co-operative through the use of questionnaires. In-depth interviews were also conducted with the key informants being the housing co-operative's executive committee members.

Data collected was analysed through the use of Statistical Packages for Social Scientists (SPSS) and was presented through the use of descriptive statistics. Findings indicated that the housing co-operative has the ability to meet the housing needs of its

members. However, the main constraints were a lack of access to capital and high costs of constructing houses, especially due to continued increase of building material prices, hiring land developers and labour. Macro-economic conditions such as high inflation rates were also a major set back for the housing co-operative. Transparency within the co-operative's management committee was an outstanding factor that needed to be addressed.

Additionally, findings from the study confirm that there is need for educational programmes for informing and training co-operative members on self-management. The study concluded that while housing co-operatives may not be a panacea to the housing crises in Zimbabwe, they certainly are part of the solution especially for low income earners. The study recommended that for housing co-operatives to be viable, they not only require government's support but also assistance from Non-Governmental organisations and other private stakeholders to facilitate and promote their activities. Co-operative members may need to be trained and educated on how to actively manage their co-operative. Housing co-operatives also need to work in liaison with other co-operatives and that way they can emulate the strategies of other successful co-operatives.

LIST OF ABBREVIATIONS

ELHMC	East London Housing Management Co-operative
ESAP	Economic Structural Adjustment Programme
FCA	Federal Co-operative Agency
HGF	Housing Guarantee Fund
HPZ	Housing People of Zimbabwe
ICA	International Co-operative Alliance
IDBZ	Infrastructural Development Bank of Zimbabwe
ILO	International Labour Organisation
KERUSCU	Kenya Rural Savings and Credit Societies Union
MDGs	Millennium Development Goals
MNAECC	Ministry of National Affairs and Employment Creation Co-operatives
NACHU	National Co-operative Housing Union
NGOs	Non-Governmental Organisations
NHF	National Housing Fund
OCFCU	Oromiya Coffee Farmers' Co-operative Union

PRSP	Poverty Reduction Strategy process
SACCO	Savings and Credit Co-operatives
SCC	Swedish Co-operative Centre
SMEs	Small and Medium Enterprises
SMECD	Small and Medium Enterprise and Co-operative Development
THB	Tanzania Housing Bank
UN	United Nations
UNCHS	United Nations Centre for Human Settlements
ZBS	Zimbabwe Building Society
ZIMCORD	Zimbabwe Conference of Reconstruction and Development
ZINAHCO	Zimbabwe National Association of Housing Co-operatives
ZNCF	Zimbabwe National Co-operative Federation



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CHAPTER 1

OVERVIEW AND BACKGROUND OF THE STUDY

1.1 Background to the study

In the current globalised economy, co-operatives have become significant and relevant, they have gained much recognition as contributors to sustainable development (United Nations, 2005). In both developed and developing countries co-operatives play a significant role towards social and economic development. Co-operatives exist in various sectors of state economies such as agriculture, health care, banking and retail as well as social services. Significantly, in their diverse domains these co-operatives have one thing in common, that is the drive to act collectively to achieve their objectives. International organisations such as the International Labour Organisation (ILO), the International Co-operative Alliance (ICA) and the United Nations (UN) promote the formation of co-operatives universally. Co-operatives have been depicted as creators of employment through their initiation of income generating activities. Birchall and Ketilson (2009); Bibby and Shaw (2005) state that fiscally, co-operatives have been commended for their ability to sustain a significant proportion of the populace even in times of economic crises. The International Labour Organisation's (ILO) whose mandate to promote the improvement of labour conditions for workers through advocating for human social justice, sees co-operatives as mechanisms for meeting its objectives (ILO, 2002). The ICA, being the global representative of co-operatives internationally, partners with the UN and ILO to come up with strategies to enhance the co-operative

movement. These international organisations have come up with a set of global values and principles as guidelines for co-operatives.

The co-operative movements in developed countries such as America, Canada, Sweden, Norway and Japan are well established and channel their resources towards the promotion of co-operatives in third world countries. Statistics from the Committee for the Promotion and Advancement of Co-operative (COPAC) (1999) indicate that in North America, co-operatives have contributed 33% to the agricultural market, in Sweden, insurance co-operatives owned 49% of the insurance market. In Japan, 45.3% of co-operatives supplied health care and social services to more than two million members (Kurimoto, 2008 and United Nations, 2009). In the developing countries, co-operative movement has had quite a different scenario of development in comparison with the first world. Develtere and Pollet (2008) state that in the third world, co-operative trajectories are experiencing a form of "renaissance" in that they are shifting from being state controlled to being independent enterprises. In the African context, Allen and Maghimbi (2009) point out that the co-operative movement was mostly a reaction to the global financial crisis. The most common co-operatives in Africa are in the agricultural and financial sectors. In sub-Saharan Africa, the co-operative movement has become more popular. Pollet (2009) and, Birchall and Ketlison (2009) indicate that 7 to 8% of the population in Africa are members of co-operatives. Given the magnitude of the co-operative movement in various sectors what is going to be of relevance in this study is the housing co-operative sector.

There is a global concern on housing, with statistics showing that almost 600 million people in the urban cities of the world have inadequate shelter. Munkner (2009)

attributes the inadequacy of shelter to the international economic crisis, the strict mortgage conditions and the incapacity of other housing ownership models. Housing co-operatives, therefore, offer an affordable and sustainable means of accommodating the masses.

The ICA and United Nations recommend that the co-operative approach to the housing sector may be a valuable stance to sustainable human settlement and housing development. The approaches used in housing co-operative development vary between regions and countries. Bibby and Shaw (2005) and Tchami (2007) state that it is important to acknowledge that there are different forms of housing co-operatives. Housing co-operatives may be management co-operatives or may have mutually shared ownership of housing properties. As mentioned by UN (2002) co-operatives contribute towards the Habitat Agenda and the Millennium Declaration towards housing development. Birchall (2003) emphasises the importance of housing co-operatives as follows:

“In Africa more than a third of the populations are badly housed. In 1996, governments adopted the ‘Habitat Agenda’ to tackle this problem, and the United Nations Centre for Human Settlements (Habitat) has acknowledged the important role of the co-operative movement in contributing to the solution, with considerable potential for extending the role of co-operatives in Eastern and Southern Africa.” (Birchall, 2003: 44).

Throughout the world the inability of governments to provide adequate housing to the majority who are low income earners, has led to the acceptance of an alternative approach and this has increased the potential of the co-operative approach in many developing countries (UNCHS, 2001 and Melese, 2003).

UN-Habitat, therefore, recognises the co-operative approach to housing development as one of the modalities of achieving the goal of shelter for all, especially the urban poor. UN-Habitat advocates for communities to form co-operatives for low cost housing, expansion of savings, credit co-operatives, co-operative banks and co-operative insurance enterprise (UNCHS, 2001). The United Nations maintains that housing co-operatives are beneficial in that they enable the users to participate in providing their own housing. Housing co-operatives may provide opportunities for marginalised groups in that the poor have the experience of participating in wider decision-making and control their own resources.

According to the UNCHS (2006), there is rapid increase in the urban population of Eastern and Southern Africa. In the case of Zimbabwe, Kenya and Tanzania the urban population is expected to increase from one third of the total population, to about half during the next two decades. The housing crisis in Africa is a direct challenge to achieving Millennium Development Goals (MDGs) by 2015, hence the concern by the UN-Habitat, a United Nations organ centred on human settlements. It is part of the UN-Habitats' goals to address this problem by devising solutions to match the housing demand and supply.

Among other developing countries who experience an expansion of housing co-operative activities, specific attention will be directed towards Zimbabwe. This study will, therefore, be narrowed down to Emganwini Housing Co-operative in Bulawayo province. Zimbabwe is a developing country whose housing delivery system is also a critical issue especially in the urban areas of the country. Housing is recognised as a basic human need and right which influences the pursuit of sustainable development,

economic growth and human security (UNCHS, 2001). In keeping up with the United Nations Agenda the government of Zimbabwe also acknowledges housing as a necessity for all people (Government of Zimbabwe, 2000).

The housing problem dates back to the colonial era whose policies included the establishment of black race locations, segregation of residential areas, with blacks living in high density townships and whites living in low and medium density areas. There were no mortgage facilities for black people and, housing institutions only catered for white people (Mapira, 2004). Mangizvo and Dzikiti (2009); United Nations (2005) and Chereni (2010) add that an increasing housing backlog¹ in urban Zimbabwe has also been precipitated by the country's harsh macro-economic conditions which were characterised by inflation, shortage of building materials and low employment rate. Since the year 2000, Zimbabwe's economy has become increasingly unstable and unpredictable hence making housing inaccessible and unavailable to the majority of the population.

Zimbabwe's urban cities are generally comprised of low, medium and high density suburbs. The different residential zones are commonly associated with one's socio-economic status, where occupants of high density areas are considered to be low income earners. Whereas low density areas consist of luxurious houses occupied by high income earners, and medium density areas are characterised of middle income earners (United Nations, 2005). As is the situation in the country's urban areas, Bulawayo is also facing a housing deficit. The cost of housing is rapidly rising

¹ A backlog can be defined as the difference between existing (acceptable) and optimal or required housing stock (Chatiza and Mlalazi, 2009:27)

throughout the country, making the need for homeownership a pipe dream for the poor and low income earners. The limited supply of housing has caused a rise to the province's housing backlog which currently stands at 103 878 from a population of 1 022 000 (CSO, 2010 and Government of Zimbabwe, 2009).

In an effort to address the existing housing crisis in Zimbabwe, the government adopted a new housing policy and devised numerous schemes to reduce housing backlog. The schemes include; employer assisted schemes, private developer participation, rental accommodation, core housing, pay for your stand to be serviced scheme, donor funded projects (Mangizvo and Dzikiti, 2009). Also among these schemes is the development of housing co-operatives. Housing co-operatives as major schemes initiated by low income earners to provide housing have played a significant role in Zimbabwe, with the province of Bulawayo included as well. Mutandwa *et al* (2008) assert that since independence, the government of Zimbabwe has also been promoting the establishment of housing co-operatives. The governments' role is also that of providing assistance through training, auditing, offering legal services, loans and surveying services.

Mangizvo and Dzikiti (2009) explain that housing co-operatives have the advantage that members pool resources together, hence enabling individuals who could not afford houses on their own. On the other hand, Mangizvo and Dzikiti (2009) further infer that housing co-operatives experience internal problems such as lack of transparency with embezzlement of funds being rampant. Such problems have led to the collapse of many housing co-operatives in Zimbabwe. However, these circumstances may not be uniform to other housing co-operatives.

While a number of housing finance institutions exist in Zimbabwe's urban sectors, there still remains a mismatch between housing delivery and demand. Chatiza and Mlalazi (2009) estimate the current housing stock of Zimbabwe at 667 561 and leaving a housing deficit of more than 1 500 000 houses. In addition, Mutekede and Sigauke (2007) approximate that demand for housing is increasing at a rate of 120 000 per annum. It is also estimated that the housing waiting list² in urban areas is approximately 2,000 000, with more than half of the population considered to be low income families.

Rapid population growth has also impacted negatively on housing provision. Since the year 2000, the population growth rate of Zimbabwe has changed from over 3% to an increased current of 11% per annum, the estimated urbanisation rate is almost 4,6% (Chatiza and Mlalazi, 2009; CSO, 2010 and UN-Habitat, 2008). "Rapid population growth rate often puts pressure on urban areas to adequately provide housing, resulting in the emergence of squatter settlements and increase of homeless people" (Zimbabwe National Population Policy 1998: 37).

Macro-economic factors have led to the drying up of housing finance and reduced the capacity of public institutions, companies and individuals to deliver housing due to a constant increase in housing construction costs (UNCHS, 2006). Chatiza and Mlalazi (2009) confirm that the private sector's contribution to urban housing stock is weak and is as low as 5%, largely because of economic pressure and skills shortage within the country. Since independence in 1980, Zimbabwe's major urban cities have experienced an influx of people due to rural-urban migration. This resulted in overcrowding and a

² Lists of home-seekers used by local authority for use in land and housing allocation as well as general planning of housing development (Chatiza and Mlalazi, 2009: 27).

proliferation of illegal accommodation structures and shacks within the cities of Zimbabwe. The existing housing crisis was further exacerbated in May 2005 when government undertook operation "*Murambatsvina*" or operation restore order so as to demolish makeshift accommodation which several residents resided in (UN-Habitat, 2005). Operation restore order resulted in almost 700 000 citizens being evicted from the "illegal structures" they were living in.

In Zimbabwe, it seems as though access to home ownership is a problem for low income earners. Vakil (1994) and UNCHS (2006) assessed that the existing private housing financial sector is reluctant to grant loans to low income earners mainly because they lack collateral and their assets are too small and are handled insecurely. The UN-Habitat (2005) acknowledges that the disadvantage that conventional housing finance mechanisms have is that they are largely influenced by the western models. Consequently, they respond more to high and middle income groups and less to low income earners who are the majority in developing countries such as Zimbabwe.

This study assesses the viability of the co-operative approach to housing as an important tool for low income sectors to realise their need for adequate and affordable housing. The housing co-operative's role is that of facilitating the acquisition of land for housing development, resource mobilisation strategies and promoting equity in access to housing (Mutekede and Sigauke, 2009). As such, there is need for an evident and significant narrowing of the shelter gap for low income earners. Given this backdrop, the following section presents the problem statement.

1.2 Problem Statement

The problem this study seeks to investigate is whether housing co-operatives are a viable strategy for relieving the existing housing backlog. Numerous housing development programmes have been initiated by stakeholders in an effort to curb the existing housing backlog. Among these initiatives is the emphasis on establishing housing co-operatives as another means of minimising the demand for housing, however, this initiative appears not to be yielding immediate and positive results. Housing co-operatives must demonstrate some level of viability in order to fully realise their objectives as effective providers of shelter for low income groups. In the province of Bulawayo, housing co-operatives are faced with a myriad of problems, some of the housing co-operatives have ceased to be operational and this has been attributed to inadequate management and governance structures, and mismanagement of funds within the co-operatives (Chronicle, 2010).

The major challenge is that of an increase in housing backlog especially for the low income groups. Mpofu (2010) affirms that low income earners have suffered from housing poverty prior to Zimbabwe's independence in 1980. Strategies to increase housing provision were of minimal success because the housing waiting list continued to bulge. In the case of Bulawayo, statistics show that there is a housing deficit of 103 878 housing units from a population of 1 022 000 (CSO, 2010 and Government of Zimbabwe, 2009).

Most private housing financiers such as building societies in Bulawayo provide financial assistance to the high income earners only as is the case in most provinces in the

country. Although the state and local authorities mainly build houses for low income earners, their construction programmes are inadequate. Efforts by other housing finance structures such as Building Societies have been of little significance in housing delivery especially for low income earners. Hence, the need to focus on housing co-operatives as viable alternatives for shelter provision to low income earners.

The proposition that will either be refuted or supported by the findings of the study is that housing co-operatives are viable agents of shelter provision and have the capacity to address the housing needs of the low income groups if their problems are resolved. As suggested by Sukumar (2001), the study further posits that housing co-operatives' operations are affected by both internal and external factors. It is therefore imperative to assess whether such factors compromise or promote their viability. The following questions then emerge:

Research Questions

- Are housing co-operatives viable in meeting their objective of shelter provision to low income earners?
- What are the challenges or problems that housing co-operatives face as agents of shelter provision?
- What are the possible solutions to the problems housing co-operatives encounter?

The following section presents the objectives of the study.

1.3 Objectives of the study

Given this backdrop, this study therefore, aims at realising the following objective:

- To determine the extent to which housing co-operatives are viable agents of shelter provision to low income groups.
- To identify the challenges and possible solutions the housing co-operative could utilise to improve its role as an agent of shelter provision.

Is the study significant?

1.4 Significance of the Study

This study is timely and significant in that it will highlight the factors that determine the viability of housing co-operatives as an alternative mechanism of housing finance to low income earners. Having noted that most of the available literature on co-operatives is more biased towards agriculture and entrepreneurial co-operatives, there is limited information on housing co-operatives per se; this study will, therefore complement the few available literature on housing co-operatives in Zimbabwe.

This study is significant in that it will also contribute to the field of development studies as an assessment of the co-operative approach to the housing crisis, which will in turn produce practical improvement in the lives of the low income people. Although housing is not one of the Millennium Development Goals (MDGs), access and quality of housing ensures the achievement of goals in health care, primary education, water and sanitation, increased job opportunities and ultimately, poverty alleviation. Birchall (2004) mentions that the United Nations; whose goal is to assist in the achievement of Millennium Development Goals (MDGs) has examined contributions of the co-operative sector to sustainable economic development. Also, housing co-operatives play an important role in contributing to the development of human settlements. Co-operatives

are, therefore, seen as means of gaining economic advantages by the low and middle income earners, which they themselves alone they could not attain.

The investigation will be important in that information deduced from the study will assist in policy formulation on how to improve the role of existing housing co-operatives as shelter providers, it examines, exposes and highlights the approach in which housing co-operatives operate. This study is timely and significant in view of the National Housing Convention of Zimbabwe, held in October 2009 in preparation of coming up with an enhanced housing policy. The convention's main objective was to integrate all potential housing finance institutions to engage in a holistic housing delivery system. Emphasis was on encouraging community based housing co-operatives to take a more active role in the provision of shelter. The following section explains the delineation and limitations of the study.

1.5 Delineation and Limitations

Co-operatives are a broad issue, they can be discussed from agricultural, consumer, producer, financial, fishery and housing perspectives. Considering that this is a single case study which cannot cover all aspects in detail, this study examines housing co-operatives only. The study focused on investigating a single community based housing co-operative; which is known as Emganwini (Aspiring) Housing Co-operative. The case study was conducted in Bulawayo province, hence not all the existing housing co-operatives in the region were assessed, the apparent exclusion of other housing co-operatives, may to some extent have limited the scope of the study.

Considering that the study is a single case study it is also important to take into cognisance that operations of housing co-operatives may differ according to context. Although it could be complex to generalise findings to other case studies it will however also create a platform from which future studies can be carried out.

Putting into account that the research was based on a case study, negotiating access into the case, which is the housing co-operative, posed a challenge in that co-operative members were at first skeptical about being involved in the study. However this limitation was countered by the use of ethical procedures and emphasising the purpose of the study and participants' rights.

1.6 Conclusion

This chapter was the foundation of the study at hand. The main theme behind the research was introduced. Attention was drawn to the overall purpose of this study which is to assess the viability of housing co-operatives in Bulawayo province, Zimbabwe.

Organisation of the study

Against this background, the study is structured in six chapters which shall be organised and presented as follows;

Chapter one served as background and contextualisation of the study, stating the purpose and objectives of the study to the reader. The chapter also reflected on the problem statement, significance, delineations and limitations of the study. Chapter Two serves to present an in-depth discussion of the literature consulted, firstly by defining the conceptual framework for the study. The chapter traces the historical trajectories of

the co-operative movement internationally, nationally and regionally. Chapter Two will further provide a discussion of the theoretical approaches of the study and also introduce the strengths and weaknesses of these approaches. The background of the area of study will be discussed in the second chapter. Additionally, the second chapter will also provide empirical evidence on housing co-operatives. Chapter three explores the profile of the study area; Bulawayo province. It highlights the current status of co-operatives in Zimbabwe and Bulawayo and discusses the legislative policies influencing housing co-operatives. Chapter four elaborates the research design and methodology underpinning the inquiry, explaining the methods of data collection chosen, as well as describing the analysis and interpretation of the data. Chapter five will include the discussion and presentation of the subsequent findings provided and analysis done. Chapter six will be important to summarise the case study as a whole and draw conclusions. Recommendations will be presented and proposals for areas needing future research within a similar context will be presented.

CHAPTER 2

CO-OPERATIVES: A REVIEW OF LITERATURE

2.1 Introduction

This chapter focuses on literature review; the purpose of reviewing related literature is to provide a broader knowledge on the co-operative movement and its application in the housing sector. The main concepts used in the literature will be defined, namely the co-operative movement, housing co-operative, the concept of housing and the concept of viability. This chapter will also assist in identifying the historical development of housing co-operatives, its needs, importance, challenges and contributions in different African contexts especially in Zimbabwe.

The seven principles of co-operatives which are the main conceptual framework that govern co-operatives will be elaborated in this chapter. Furthermore, in an attempt to trace and explain the theoretical nature of co-operatives, the chapter will make reference to related theories which explain the aspects of co-operatives. The collective action approach and co-operative theory will be explained, including weaknesses and strengths. Empirical literature with relevance to this particular study will be explored.

2.2 Defining Concepts

2.2.1 Housing Co-operative

A housing co-operative is an organisation or association of individual persons who come together collectively to pool their resources; human, financial and material towards achievement of a common goal (Chirisa and Munzwa, 2008). The definition of housing co-operatives will also depend on their activities. Baitu (2010) describes a housing co-operative as a form of home ownership in which people join to form a co-operative which own shares in buildings in which they live. For the purposes of this study, the working definition which will be used in this context is; housing co-operatives are primary co-operatives which provide housing for its members through pooling resources for the purpose of ownership.

The formation of housing co-operatives was compelled to answer the needs of low income earners who were failing to access decent and affordable shelter either due to prohibitive legal, political or the social and economic environment. The emergence of housing co-operatives was also because the central government, local authorities and the private sectors had failed to satisfy the housing needs of the low income people (Mubvami and Kamete, 2001). Furthermore, formal private housing financiers such as commercial banks and building societies are more selective of their clients. In addition Kamete (1998) asserts that the private housing financial sector is reluctant to assist the low income earners for the apparent reason that they are mandated to make profit and by not meeting the needs of the low income earners who lack physical collateral security they avoid risking and compromising investors' funds. This further accentuates

the need to focus on housing co-operatives as another viable means to meet the housing needs of those who have low income in Zimbabwe.

Research on housing co-operatives in Zimbabwe found that the co-operatives have played a rather noticeable role in delivering services to their members (Mangwizvo and Dzikiti, 2009). According to Lamba and Mwasi (2000) housing co-operatives in Zimbabwe have had some degree of success because in Harare they contributed 5% of the total number of housing units produced since 1980. However, after 1997 the contribution of housing co-operatives in Zimbabwe became less significant when addressing the existing national housing deficit. Given the external financial environment and the poor macro-economic climate, it became difficult for housing co-operatives to access loans or micro-credits from the government and building societies. Co-operatives are directed by a set of principles which will be discussed in the following section.

2.2.2 Concept of Housing

According to UNCHS (2001) housing refers to a living facility in which ones inhabits with security of tenure, a harmonious and dignified environment. Inhabitants may be from a single household or from more than one household. Housing is perceived from three view points; as a shelter, a commodity and an investment (Center for Urban Development Studies, 2000). Housing as a shelter is a basic need; households may either rent or buy a place where they perceive as suitable for settlement. Housing as a commodity means that it is an asset which complements one's economic and social status. As an investment, housing offers a means of generating income through a form

of home based micro-enterprising. Income from a house may also be generated from renting out the building for residential or commercial purposes.

In the context of Zimbabwe, housing implies the availability of one having a shelter or a dwelling place. The question of housing is among the basic needs requirement of the Zimbabwean nation. In 1990 the Zimbabwean government ratified the African Charter of Human and Peoples Rights and the Habitat Agenda of 1996, which recognises several human rights in which housing is one of them. As expressed by the Government of Zimbabwe (2000: 19), "Every household must have access to permanent residential structures with secure tenure, ensuring privacy and providing adequate protection against the elements with potable water, sanitary facilities if they are to fulfil their obligations as citizens of the country." Housing not only includes having a roof over one's head but the living conditions are also part of adequate housing. The availability of basic amenities such as water and sanitation entails an appropriate habitation. The availing of housing also influences or affects employment, education, health and ones social life in general.

Housing is also viewed as an economic asset because it benefits not only a family unit but to the nation as a whole (Center for Urban Development Studies, 2000). As a means of achieving the obligation of adequate housing, the government of Zimbabwe adopted the National Housing Policy in the year 2000. The Zimbabwe governments' goal towards housing is mostly centred on delivery.

2.3 Housing Finance Mechanisms

To comprehend the essence of the development of housing co-operatives, it is important to first examine other forms of housing finance as have been implemented in the country. This section discusses existing housing finance institutions and their response to the housing needs of disadvantaged segments of the population who do not have access to decent shelter. Municipal Development Programmes (MDP) (2007), reports that housing finance in Africa is quite recent and underdeveloped and it lacks depth and breath. Resources such as land, finance, building materials, infrastructure and entrepreneurial skills are necessary in housing provision but in most African countries they are limited, poorly harnessed and deployed (MDP, 2007). Housing finance in most African countries is represented in three categories which are the private commercial sector, public sector and the micro-finance housing institutions.

In Zimbabwe, Chatiza and Mlalazi (2009) list the following as the main housing agencies; central government, local authorities, private developers, National housing trusts, building material suppliers, the construction sector, financial services sector, public and private employers and civil society organisations and local communities. Similarly, there are basically three housing finance systems in Zimbabwe and these are the public, private and community sector. Private and public finance sectors are more conventional systems, whilst the community sector is a more informal method of housing finance.

Public Sector Housing Finance is initiated by the government of Zimbabwe; treasury allocates funds to the Ministry of National Housing and Social Amenities which

administers the National Housing Fund (NHF) and the Housing Guarantee Fund (HGF). Through the National Housing Fund, the central government lends the funds to Local Authorities to facilitate the provision of low income housing in their jurisdiction. Mutekede and Sigauke (2007) state that the National Housing Funds viability in lending to local authorities has in the past become inefficient. This was due to the failure of Local Authorities to repay borrowed funds from the NHF, implying that there is a delay in the recovering of capital cost. The existing harsh economic conditions in Zimbabwe have seen the National Housing Fund being less efficient (Mutekede and Sigauke, 2007) and (Chipangu, 2005). The central government was also involved in *Operation Garikai/ Hlalani Kuhle* in which the Ministry of Local Government and Construction constructed four roomed core houses for families affected by *Operation Murambatsvina*. However, the government only managed to construct 1200 units of the targeted 5000 households which were affected (UN, 2005). The Housing Guarantee Fund is also operated by the central government; funds are obtained from private financial institutions or lending institutions against government collateral security. Mutekede and Sigauke (2007), note that beneficiaries of the Housing Guarantee Fund mostly become middle and upper income households because they fulfill the conventional lending criteria. Building Societies could not lend to low income groups considering that it would be a huge risk, moreover, the escalating cost of houses rendered the programme less viable.

Private Sector housing finance consists of private financial institutions, lending institutions and external aid agencies. According to Kamete (1998) their operation is conditioned on the ideologies of profit maximisation, long term business interest and

social responsibility. Housing finance institutions are sometimes seen as inflexible when it comes to lending to low income groups because they do not meet their rigid lending terms and eligibility criteria. By being reluctant, housing finance institutions in this instance attempt to safeguard against risks and avoid compromising profitability and investors funds (Kamete, 2006).

Community Sector housing finance system involves self-help or aided self-help activities of low income groups. Individuals are involved in personal savings and self-generalised resources. Housing co-operatives are the most common form of community sector housing finance system (Mutekede and Sigauke, 2007). Housing co-operatives have proven to be efficient based on their capacity to transform themselves to business entities in order to raise money for housing their members.

2.4 Development Process of Housing Co-operatives

The evolution of housing co-operatives is partly due to the incapacity of the existing conventional housing finance systems to meet the housing needs of the people that the co-operative movement became active in the housing scene (Kamete, 1998). Housing co-operatives, therefore, grew out of the need to house the mass of low income people. According to Kamete (1998), homeless people in Zimbabwe, having realised that central government and local authority efforts to provide them with housing have not yielded any results, they came together as organised groups to deal with their housing need.

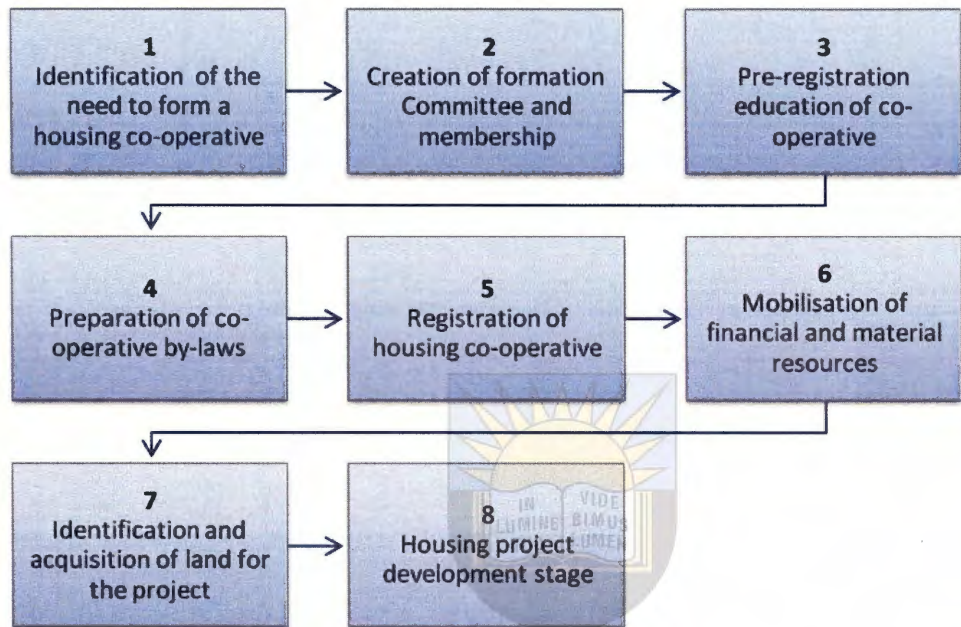
Chirisa and Munzwa (2008) give an illustration of how housing co-operatives develop as shown in Figure 2.2. The first stage involves a certain group of people who realise that

they share the same predicament and the requirement to organise themselves in order to attain their objective, which in this case is housing. Before a committee is formed, membership of the co-operative should consist of at least ten individuals.

After selection and formation of committee, the association then proceeds with the pre-registration education of a co-operative, checking on prerequisites such as all members are in the same income bracket, are from the same local authority area and that membership is voluntary. The pre-registration education stage involves members preparing the housing co-operative by-laws guided by the Co-operative Societies Act (Chirisa and Munzwa, 2008).

The housing co-operatives constitution should include issues of membership, co-operative size, debentures shares and the type of houses to be built for members. The Ministry of Small to Medium Enterprise and Co-operative Development will then issue the registration certificate to the co-operative if certain requirements are met such as a recommendation letter from the local authority, the constitution and the co-operatives project proposal, its members and the formations committee. After registration, the co-operative has the task of mobilising financial and material resources which usually takes a long time to accumulate. Once enough money is raised to purchase stands the local authority has to ensure that the co-operative has enough funds to begin the project to construct houses for its members (Chirisa and Munzwa, 2008). Land for housing development is then issued to the co-operative by the local authority, developing the land and construction of superstructures would then begin.

Figure 2. 1: Development of Housing Co-operatives



Source: Adapted from Chirisa and Munzwa (2008: 16)

2.5 Types of housing Co-operatives

Co-operatives in the housing sector may take different forms (ICA, 1998 and Tchami, 2007). Tchami (2007: 27) lists seven forms of housing co-operatives namely; worker co-operatives which are organised by building workers to create jobs within their enterprise, co-operatives of individually-owned houses by members seeking for personal accommodation, collective ownership co-operatives who build blocks of flats but retain members title deeds where the member has shared ownership. Tenant co-operatives which involve members being tenants of the buildings they live in and rent from the society in which they are members. Self-build co-operatives are groups of people who realise their common housing problems and team up to build houses. Management co-operatives are tasked with managing the residential areas and other amenities. Lastly (Tchami, 2007) lists co-operative building societies as another form of

co-operatives which provide mortgages whose funds come from shares subscribed by members and deposits made by the members.

In the African context they may take the form of land development co-operatives, building construction co-operatives, providing serviced sites, core houses or complete houses for their members, self-construction co-operatives in which members build their own houses, home ownership co-operatives, tenant co-operatives and Estate management co-operatives. Most housing co-operatives in Africa base their activities on self-construction or mutual aid, for example, in Kenya the most common housing co-operatives are formed mainly to acquire land or to construct houses, when this objective is achieved the units are transferred to the individual owners (Alder and Munene, 2001)

In Zimbabwe, there are two broad categories of housing co-operatives, these are work place based co-operatives formed by employees of the same profession or company. Community/neighborhood based housing co-operatives are the other category, it is made up of different people who come together probably from the same community or social associations for purposes of providing housing for its members, women's housing co-operatives are also classified in this category (Mubvami and Kamete, 2001). The most common and predominant category of housing co-operatives in Zimbabwe is the community-based which has a large membership from the major cities of the country. These take member contributions for the purposes of building houses for its members, and this study will mainly pay attention to these particular community-based housing co-operatives.

2.6 Global History of the Co-operative Movement

Co-operative movement refers to the practices followed by people who join forces to fulfill a common agenda based on mutual, economic integration and social objective of the shared goal (Develtere, 2008). The practice of co-operation had been existent a long time ago, since early cultures realised that working collectively was an advantage when hunting, living, cooking and providing shelter together in groups. The history of co-operatives can be traced back to early forms of co-operation such as funeral benefit societies in early Greece (Sedhain, 2005:18).

According to Co-operative Development Society (CDS) (2009) the modern co-operative movement has its roots in England which developed during the second half of the industrial revolution. During this period, workers were the most affected; they saw the loss of common use of land. Work in the factories was limited which led to exploitation and poverty, moreover food prices increased and wages were reduced. It is during this period of the early 1800s that Robert Owen attempted to establish co-operative communities which failed. However, Owen identified insightful values of co-operation as a means of organising economic activity hence is accredited as the founder of Co-operative ideals. In 1827, these ideas were taken-up by Dr William King who founded a monthly periodical, *The Co-operator*, which he published for 3 years. This led to the formation of small local co-operatives as a means of tackling poverty and to improve the situation of working families. In 1844, ideas of Owen and King were taken further by the Rochdale Equitable Pioneer.

Early progression of the co-operative movement was based on the philosophy of common ownership and democratic control that was put in place for the first time in 1844 in Rochdale, England (Rodgers, 1999). The Rochdale Co-operative³ was founded by a weavers' collective whose members formed the co-operative out of a desire for mutual self-help. They sold the basic necessities of life to their members, butter, candles, soap, flour and blankets. Their aim was to supply good quality goods, cheaply and to return any profit to members of the co-operative. This co-operative was based on democratic control of capital through the principle of *one member, one vote*. The co-operative model resulted in a flourishing business that was quickly expanded to other business sectors including housing. They worked out that to succeed their co-operative enterprise must work on seven key co-operative principles. These are now recognised internationally as the co-operative principles and remain the practical foundation for co-operatives. The first housing co-operatives date back to the 1870s in New York. The early housing co-operatives were organised by immigrant groups or unions to provide affordable housing for their members during the post World War I period. The United Nations general Assembly passed a resolution to recognise October as the month of co-operatives internationally, where each member state promotes the co-operative movement and celebrates the co-operatives day (Co-operative Development Society (CDS) (2009).

³

In order to improve their standard of living the Rochdale Pioneers set up the first consumer co-operative in a shop in Toad Lane. They started trading on 21st December 1844, now recognised as the birth date of the co-operative movement. Where the Rochdale Equitable Pioneers succeeded where earlier attempts at economic co-operation had failed was that, from their own harsh experience of poverty. (CDS, 2009)

2.7 Co-operative Movement in Africa

The genesis of the modern co-operative sector in Africa was influenced by foreign colonial forces. Develtere (2008) establishes that the co-operative model in Africa is an inherited one from colonial agencies who used it as a mechanism to foster economic and social change in African Societies. Lemma (2008), on the other hand, claims that co-operation in Africa is not a new phenomenon, people in communities have always co-operated in their cultures for many decades in various urban and rural economies. Co-operation has however been gradually transformed, as a result co-operatives have been formed as institutions that allow people to pool their resources together so as to achieve a common goal. UNCHS (2001) suggests that the emergence of co-operatives in Africa can be explained in three phases, which are the colonisation period, post colonial and post liberalisation phase.

Develtere (2008) argues that viewing the development of co-operatives in Africa according to historical phases assumes that the process was uniform in all countries, which is an overstatement because co-operatives did not begin in the same manner, taking into consideration that African countries had different colonisers. Develtere (2008) and Chambo (2009) share the same opinion that the co-operative movement in Africa is heterogeneous and these variations make them complex. The resurgence of modern co-operatives in Africa can be explained by the following models; the unified model tradition, the social economy and movement, the producer tradition and the indigenous model.

The unified model was introduced by the British in their colonies so as to develop a single co-operative movement both at home and with their colonies (Develtere, 2008).

This model consists of primary co-operatives at the bottom and a single apex body at the top. In the middle are unions and federations that form secondary societies, whose role is to integrate the movement both horizontally and vertically. In this category the main attribute is legislation of co-operatives through internationally accepted co-operative principles. The social economic tradition can be traced back to Francophone and Hispanic countries. As stated by (Develtere, 2008), the French colonies directly intervened in the organisation and administration of local structures in Africa. In this case, a co-operative is just another legal or institutional entity that brings people who share the same social and economic objectives together.

In the social movement tradition, an established social organisation such as a trade union, farmers' association and women's organisation brings members together to form a co-operative (Develtere and Pollet, 2008). This model is most common among Belgian colonies in central Africa where co-operation is viewed as a tool of collective action. The producers' tradition is rooted in the Portuguese colonial co-operative system. The model views co-operatives as mechanisms for agricultural producers to market their produce. The co-operative plays an economic role for entrepreneurs and households in achieving their social objectives. Lastly, the *Sui generis* model is different from all four traditions in that the co-operative tradition was self-generated and home bred in the respective African countries. This is mostly relevant to countries that were partially exposed to colonisation, such as Ethiopia, Egypt and Sierra Leone. Develtere (2008) further explains that though the models were influenced by colonialism, their patterns are not fixed and their characteristics are inconsistent and may overlap. A co-operative sector may, therefore, reflect characteristics of two or more of these

traditions. To give a depictive illustration on co-operative movement in different African contexts, examples from South Africa, Ethiopia and Kenya will be highlighted.

Co-operative Movement in Kenya:

Kenya's co-operative movement dates back to the 20th century, with the first co-operative having been formed in 1908 (Alder and Munene, 2001). Kenya's co-operative growth was largely influenced by the agricultural sector to market farm produce such as coffee, cotton, sugarcane and dairy. Non-agricultural co-operatives also proliferated, these included financial, housing, insurance, consumer, credit and transport. These co-operatives are found in the leading sectors of the country. Each organisation has an affiliation to a co-operative union such as the housing sectors' National Co-operative Housing Union (NACHU), and savings and credit co-operatives are affiliated to Kenya Rural Savings and Credit Societies (KERUSSU). In 1996, the Co-operatives Society Act Chapter 490 was established. In 1997 the Co-operative Societies Act was revised, its legal policies saw a phenomenal growth in number and membership of co-operatives. This also led to an increase in non-agricultural co-operatives especially Savings and Credit Co-operatives (SACCOs) and housing co-operatives due to the recession in the agricultural sector.

Co-operative Movement in Ethiopia:

Veerakumaran (2007) states that co-operation in Ethiopia has always been practiced. Traditionally Ethiopians engaged in collective action to fulfill their socio-economic needs. It was through co-operative initiatives that trade, agriculture and other forms of business were feasible. The first co-operative was established in the 1960s by coffee

and sesame producers and a number of workers from organisations such as the Ethiopian Airline, the Commercial Bank and organised Savings and Credit Co-operatives. Also the first legislation of co-operatives was enacted, called "Farm Workers Co-operative Decree" (Veerakumaran (2007: 8).

The co-operative movement was characterised of high government control and political influence, there was an absence of membership participation and trust. The Agricultural Co-operative Society Proclamation was enacted in 1994; the legislation held that the highest level of integration of co-operatives is the co-operative union formed by primary co-operatives. By 1997, the co-operative union was established and the Proclamation on co-operative Societies was revised in 1998 providing co-operatives with the right to act according to the bye-laws of their co-operative. In 2005, co-operatives had existed in all sectors of the economy such as housing, multipurpose and Savings and Credit Organisations. Having realised the impact of co-operatives to the country's economy the Ethiopian government set up the department of Federal Co-operative Agency (FCA). The FCA played a catalyst role for co-operatives whose mandate was to oversee the registration of co-operatives and to provide legal and technical advice.

Co-operative Movement in South Africa:

Develtere (2008) and Theron (2005) confirm that co-operatives in South Africa were established in 1920, when the first co-operative legislation was introduced. Co-operative development in South Africa was also an effect of agriculture co-operatives established in the homelands. Influence for co-operative development was also set up by trade

unions and civil society as a political maneuver or stance to put an end to minority rule. The emergence of co-operatives was for both economic and political reasons.

In the 1990s, new forms of co-operatives emerged which comprised of trading co-operatives in transport, retail co-operatives, savings and credit co-operatives, community services, housing co-operatives, construction services and medical co-operatives. A classic example of co-operative success in South Africa is that of Heiveld Rooibos Co-operative which has demonstrated profound accomplishment. Heiveld co-operative is a primary trading co-operative, a particular type of agricultural co-operative.

Since establishment, the co-operative has managed to enhance bargaining power, access to markets and economies of scale. As a result, this led to accessing and setting up of proper business infrastructure and increase in their capacity to respond to market trends and demands (Mazibuko and Satgar, 2008). The success of the co-operative is partly attributed to government's support to co-operatives. Fundamentally, the Co-operatives Act 14 of 2005 defines co-operatives in general and in their various forms. South Africa's Co-operative Act (2005) also recognises the essence of co-operatives to operate independently and basically offers a supportive legislative environment for the development of co-operatives (Jara and Satgar, 2009).

2.8 Role of Co-operatives in Shelter Provision

Most people join housing co-operatives mainly to access a house or to own one for themselves. UNCHS (2001) state that co-operatives have three major functions. Firstly, they enable households to pool resources to acquire and develop land and housing.

Secondly, co-operatives have a greater chance of accessing finance especially from donor funding, finances may be channeled through agent institutions such as building societies. Thirdly, housing co-operatives are able to work jointly which reduces costs in undertaking construction.

Advantages of Shelter Co-operatives

Generally, co-operatives can be easily formed compared to any other organisations and get registered with the registrar of co-operatives. There is open membership, any person who is competent can join the co-operative and leave as they wish. A co-operative is controlled in a democratic manner meaning that members govern their own co-operative. Co-operatives may also access assistance from the state or any financial institutions and yet at the same time maintain their autonomy.

Co-operatives in the housing delivery process provide an opportunity for the achievement of greater value for money. Rust (2001) recognises the housing co-operative advantage in that when operating as a group, the homeless poor have a greater bargaining power and negotiating access to land, and services is less timely and rather affordable.

2.9 Legislation and Policy

For housing co-operatives to be viable, it is important that they operate within a conducive environment. This enabling environment is usually set by government and local authority policies regarding the housing sector and the co-operative sector (UNCHS, 2006). Theron (2010) affirms that a policy and legislative framework for co-operatives is regarded as the prerequisite of co-operative development. It is the

responsibility of governments to create and provide an enabling legislative, economic, administrative and policy environment for co-operative development. Serdian (2005) confirms that a legal framework is important for the operation of housing co-operative for the collective acquisition of goods and to determine rights, duties and liabilities of members and the co-operative. Co-operatives therefore need to be recognised as legal corporate bodies to be able to perform their obligations.

Governments' role is to facilitate an appropriate institutional framework for co-operatives to operate. A clear national co-operative policy will promote the development of economically sustainable co-operatives. An existing policy will encourage groups and their members who choose to work together in democratically controlled activities to register co-operatives and acquire a lawful status and to operate as a legal entity. Co-operative development policy creates an interface between government and the co-operative movement; in addition, it serves as a reference to co-operators in explaining how the government expects co-operatives to operate. Legislation allows the registration and de-registration of co-operatives in an efficient way and legally. Policy enables the supervision of observance of laws and regulations by co-operatives.

There is no specific policy on housing co-operatives and their development in Zimbabwe but government has provided a legislative framework which governs and regulates the operations of all co-operatives in general. Housing policy in Zimbabwe promotes the formation of housing co-operatives by allowing them to register as legal entities in the ministry of Small and Medium Enterprises and Co-operative Development (SMECD). Although government seems to acknowledge the development of co-operatives, there has been limited technical, financial and material support recently

especially in the case of housing co-operatives, most government focus was on agricultural and fishery co-operatives. Serdian (2005) argues that legislature and other rules governing co-operative societies in many developing countries provide for specific requirements of agricultural, marketing and consumer co-operatives and barely answer the particular needs of housing co-operatives.

The Zimbabwean Ministry of Gender and Co-operative development has in the past years been responsible for co-operatives development. However, since 2009 the main government agency now responsible for co-operatives is the Ministry of Small to Medium Enterprise and Co-operative Development which administers the registration of co-operatives in the country. In this case, the co-operative development is viewed as part and parcel of Small to medium enterprise development (Theron, 2010). The ministry plays a more facilitative role for co-operatives and rather than a controlling one.

The legislative framework within which co-operatives operate is set out in the Co-operatives Societies Act of 2002. The purpose of the Co-operative Societies Act is to establish a legislative framework that preserves a co-operative as a distinct legal entity and to promote the development of sustainable co-operatives that comply with co-operative principle (Co-operative Societies Act, 2001). Co-operative Act 24:5 (2001) encourages people or groups who subscribe to the values of self-help, mutual aid that chose to work together in democratically controlled enterprises to register co-operatives in terms of the Act, they promote equity and greater participation of disadvantaged groups in the formation and management of co-operatives.

According to the Zimbabwe's Co-operative Societies Act 24:05 (2001) registered co-operatives are obligated to adhere to the international principles of co-operatives as respectively illustrated in figure 2.1, page 19.

Organisations such as Housing People of Zimbabwe (HPZ) and the Zimbabwe National Association of Housing Co-operatives (ZINHACO) through their programs assist low income earners who are failing to access shelter due to the prohibitive legislative, political and socio-economic environment. The organisations achieve their objective through intervention strategies such as advocacy for the creation of a favorable legislative and policy framework for low income housing provision. Advocacy is targeted at parliament, government departments, local authorities and key stakeholders (ZINAHCO and HPZ, 2009). The lobbying for a conducive environment for housing co-operatives has recently influenced governments housing policy and the incorporation of co-operatives in policy making.

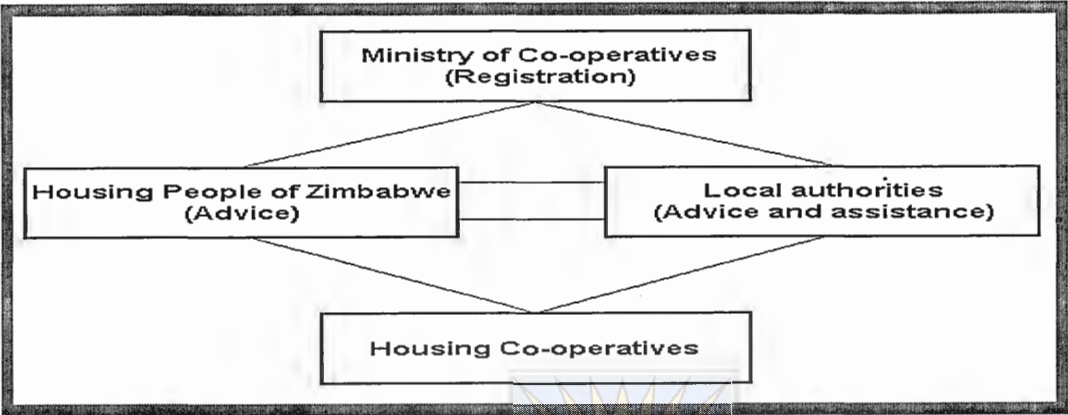
2.10 Management and Governance of Co-operatives

For housing co-operatives to thrive it is important that they have a suitable management structure. Members of a co-operative often engage in self-management in which they manage and administer the co-operatives themselves. A management committee is elected by members of the co-operative, management may also be voluntary but there is usually no salary. However, some well established co-operatives such as Kugarika Kushinga in Zimbabwe have hired full time employers to do the management task, a full time manager, secretary and bookkeeper carry out the routine tasks of the co-operative (Mubvami and Kamete , 2001).

UNCHS (2006) points out that the good management elements for housing co-operatives are strategy, structure, systems, staff, skills and leadership. There should be a clear plan of action set out by the co-operative itself, as well as a responsible government to have a detailed strategy to implement its policies concerning co-operatives. The structure of the co-operative involves the organisation of tasks within the co-operative. Systems involve the various mechanisms set up to assist managers in their tasks. Staff and skills are of importance to the co-operative, taking into consideration that qualified and experienced staffs are required in the technical, financial, audit and training sections of the co-operative. UNCHS (2006) gives an example of Ethiopia's Nyala co-operative, where all members belong to a general assembly but with an executive committee that oversees all activities such as auditing, purchasing and transport. Competent and determined leaders are vital for a co-operative in order to carry out the shared vision. Lack of sound and appropriate financial management systems may lead to the dysfunction of a co-operative.

Although co-operatives are autonomous, there are external relationships in the management of housing co-operatives which regulate their activities. As shown in figure 2.3; the ministry is responsible for setting the conditions for the registration of co-operatives in Zimbabwe. The ministry approves the by-laws and the management rules of housing co-operatives. Housing People of Zimbabwe is a voluntary organisation which offers advice to co-operatives that are willing to be affiliated into the organisation. Local Authorities also render assistance and give advice to co-operatives; they have regulations that govern the operations of housing co-operatives in their area.

Figure 2. 2: Management of Housing Co-operatives



Source Adapted from Mubvami and Kamele (2001: 19)

2.11 Housing Co-operatives Funding

Accessing capital for Housing co-operatives has proven to be a challenge in most African countries, even in the light of a myriad of other problems, inaccessibility of finance remains a major setback. Finance is by and large regarded as the overriding factor in determining the viability of housing co-operatives. UNCHS (2006) reports that there are basically four different sources of funding for housing co-operatives and these are internal finance from members' savings, external finance from co-operative finance institutions, external finance from formal financial institutions and international finance.

Internal finance is largely savings from membership contributions which is accumulated through share capital or the use of other mechanisms such as through monthly contributions by members. The main objective of raising funds is to meet their objective of shelter provision. However, in most circumstances accumulated finance is a very small amount compared to the amount required for the project considering that most

members are low income earners (Fall, 2008). UNCHS (2006) asserts that raising finance is difficult for low income groups, in addition to savings from income, the poor are able to convert their assets into cash and they can borrow from informal networks. Members can also contribute their labour through participating in the construction process. Due to the nature of most self-help housing co-operatives as non-profit making organisations, they seldom legally engage in business for profit and the absence of long term finance has made housing co-operatives to rely exclusively on members' contributions (Mubvami and Kamete, 2001).

External finance from co-operative finance institutions and similar organisations includes co-operative apex bodies/federations, co-operative banks, co-operative savings and credit organisations and NGOs (UNCHS, 2006). In most instances, various institutions offer financial support, for example, in Zimbabwe the apex organisation for housing co-operatives; Zimbabwe National Association of Housing Co-operatives (ZINAHCO) has been functional since 1993 whose main goal is to provide financial and mostly technical services to its members. The Zimbabwe Homeless People Federation is a network of organised poor, and homeless communities who live in urban and peri-urban areas of the country. Communities devise mechanisms of saving their money and grant each other loans (ZINAHCO and HPZ, 2009). Savings and credit co-operatives (SACCOs) are mainly community based finance institutions; they provide considerable funds for housing, especially in Kenya, members obtain loans at reasonable interest rates (Alder and Munene, 2001). UNCHS (2006) reasons that, the majority of borrowers are not eligible for loans from banks because of their relatively low incomes and low loan amounts, SACCO's, therefore offers a long loan period of four

years, and members can borrow sequentially and construct incrementally. Housing People of Zimbabwe (2001), an organisation aimed at promoting mutual housing in Zimbabwe established a Housing Co-operative Trust in Zimbabwe in an attempt to give housing co-operatives in Zimbabwe access to money markets and that it will serve as collateral for housing co-operatives.

External finance from non-co-operative sources includes Housing development funds, building societies and non-governmental organisations. Co-operatives seek assistance from banks where they can access loans from these institutions depending on the interest rates. Nnkya (2001) observes that in the case of Tanzania most housing co-operatives rely on bank loans for housing development, for instance, Sigara Housing co-operative negotiated an extension of their loan repayment to the Tanzania Housing Bank. In addition Mubvami and Kamete (2001) mention that mortgage lending from building societies is essential as a long-term means of housing finance. However, mortgage finance facilities are not always accessible for housing co-operatives hence an alternative source from other organisations may be required.

International organisations may support through institutional, technical and financial means although in rare cases and at a minimal capacity. For instance, organisations such UN-Habitat, World Bank and USAID often engage in funding low income housing. Donor agencies such as Rooftops Canada have supported co-operatives in Africa through technical and financial means. Most housing co-operatives from developed countries that have had a success story of applying the co-operative approach to housing have used their experience to offer support to the countries in Africa.

Etkind (1989) advises that for all forms of co-operatives, economic viability is a requirement. Co-operatives, therefore, require the constant education and training of co-operative members in order to generate new forms of democratic management. Etkind (1989) further asserts that failure to educate and train members on democratic management may lead to co-operative making uninformed financial and investment decisions. Consequently, co-operatives dependent on external and foreign funding may eventually compromise their autonomy.

2.12 Housing co-operatives in the African Context

In the African context, the formation of housing co-operatives is mainly due to the increase in rented houses. Membership is on an open and voluntary basis. Members of the housing co-operatives seek to acquire shelter for themselves such as building in plots (Nnyaka, 2001). In the case of Bellevue Housing Co-operative in Kenya, the housing co-operative was formed by low income families who had been evicted from slum areas in Nairobi (Baitu, 2010). They continued to live in temporary shacks without any sanitation, hence the necessity to improve their living conditions through forming a co-operative to construct better shelter. The Bellevue Housing Co-operative was formed to establish a community land trust and to offer its members' security of tenure. A co-operative would also facilitate the provision of individual plots for members to put up safer structures, with proper physical planning and sanitation better than the makeshift structures they lived in.

Housing co-operatives also liaise with the respective national housing unions. In 2004, an apex organisation for housing co-operatives in South Africa was formed. South Africa Housing Co-operative Association (SAHCA) comprises of primary housing

co-operatives and views housing co-operatives as a group of people who unite to realise their particular need for houses. The ELMHC continues to maintain associations with SAHCA to create a network of housing co-operatives in South Africa. SAHCA's role has been that of engaging co-operative members in educational and training programmes and lobbying for government to develop a conducive policy for housing co-operatives.

In Kenya, the National Housing Co-operatives Union assisted in mobilising the community, helped the community to register the housing co-operative, in training and educating the community on housing co-operatives' principles. Baitu (2010) further says that NAHCU provided funds for documentation, water provision and 50% of the revolving fund to Bellevue Housing co-operative

In the Tanzanian case, people were motivated to join the housing co-operatives because housing loans were available by the Tanzania Housing Bank (THB). Housing co-operators had access to cheaper building materials which would have allowed them to construct at least two rooms. The members' share capital was deducted from their salaries but the amount was minimal of which most co-operators depended on loans from the Tanzania Housing Bank (THB) to contribute to the cost of construction. At least members of the co-operative managed to complete their houses through the use of loans secured from the THB. Savings and credit society have also significantly assisted in construction although the impact has been small. The main objective was to provide housing for its members through a people driven process of savings and building.

In general, it is essential that co-operative members also form partnerships with potential donors external sources. In South Africa, the East London Housing Management Co-operative (ELMHC), receives support from Afesis-Corplan, a non-governmental organisation funded by the Swedish Co-operative centre to undertake social housing projects and to assist communities in housing and local government (Odelstierna and Stenbeck, 2005). The Bellevue housing co-operative had two key partners that assisted them in the project: the National Co-operatives Housing Union (NACHU) and GOAL international a non-governmental organisation (Baitu, 2010).

Initiatives by ELMHC have witnessed the engagement of low income groups and the economically disadvantaged taking a leading and focal role in addressing their housing needs. Rust (2001) points out that the co-operative approach empowers the historically disadvantaged households by giving them an opportunity to participate in a process normally imposed on them.

Despite the supposedly progress of the housing co-operative, they were faced with a few problems. The following section will discuss challenges encountered by the various housing co-operatives.

2.13 Challenges Facing Housing Co-operatives

The major argument is that most housing co-operatives are not self sustaining; the main challenges include finance, proper budgeting, planning and qualified and capacitated executive committee members. Sharma (2008: 63) briefly mentions that there are eight reasons that explain a co-operative's poor performance, these are namely: "ideological differences, unprofessional management, poor governance, inadequate capital base,

lack of membership participation, inappropriate strategies and too many legislative control." Cases to examine the problems that housing co-operatives encounter will be drawn cases from the following countries Zimbabwe, Kenya, South Africa, Tanzania and Uganda.

In Tanzania, the major problem is that the expected building materials from the low cost housing units were not made available without any explanation. Secondly, building materials meant for low income housing were being sold to people outside the co-operative, as a result the beneficiary group was denied of its right (Nnkya, 2001). Housing meant for low income groups ended up being for high income since members were now forced to buy building materials from the open market.

Although Kenya's co-operative sector is assumed to be a major contributor to livelihoods in the country, however the sector has experienced a number of challenges such as lack of quality management (due to lack of managerial talent, members of their elected executives are not experienced enough to manage the co-operative). Wanyama (2008) confirms that although many co-operative staff and members were trained by the Co-operative College of Kenya with donor support there are still major management problems. Poor infrastructure, lack of awareness, over dependence on government (due to inadequate capital) led co-operatives dependence on government for support in terms of grants, loans and subsidies. As such, government sometimes directly interferes with the management of the co-operative and also audit their annual accounts. Dormant membership, non-conduct of elections, lack of strong human resources policy, neglect of professionalism, restricted coverage are among some of the co-operatives limitations. Wanyama (2008) further explains that co-operatives in Kenya are unable to evolve

strong communication and public relations strategies which can promote the concept of co-operation among the masses.

Similarly, in Senegal the co-operative movement has not fully achieved its objectives due to various constraints. Housing co-operatives are experiencing difficulty in accessing land due to the unavailability of reserved land. Lack of funding for urban planning operations and inconsistency of policy for urban development has proven to be a major problem. The funding of housing co-operatives has been inconsistent, the Senegalese Housing Bank whose responsibility is to collect savings and fund social housing has caused administrative delays in disbursing funds (Fall, 2008). Housing co-operatives are also experiencing problems in purchasing imported building materials.

Mubvami and Kamete (2001) acknowledge that co-operatives in Zimbabwe in the past years could have been viable but they have experienced a myriad of problems. Management problems of housing co-operatives are most prevalent because the executive committee has shown little management skills and election is usually based on charisma. Kamete (1998) attributes this problem to ignorance and misplaced confidence. Housing co-operatives have been ridden with reports of financial mismanagement, corruption and poor decision-making on expenditure and investment. Issues of political interference in community based housing co-operatives by local councilors and party officials have been experienced (UNCHS, 2006). Governance matters involving undemocratic processes and male dominance have raised controversy in housing co-operatives. Economic problems have led to the dwindling of income and rising cost of living, most co-operatives have had to wait for long periods of time to access land because local authorities in urban areas are increasingly running

out of serviced land. Mubvami and Kamete (2001) give an example of Kugarika Kushinga housing co-operative in Harare, which experienced incidents of poor governance and lack of ethics and conduct.

The co-operative operated outside the stipulations of the Co-operatives Societies Act in paying the chairperson of the co-operative who according to the Act is not entitled to a salary. Kugarika Kushinga housing co-operative also disregarded the law by purchasing a commuter omnibus for business purposes, which is outside the stipulations of the Act. Apart from the problem of disregarding the law, Kugarika Kushinga housing co-operative encountered operational difficulties by not updating their membership record whose figures did not match with that of the Registrar of co-operatives. The co-operative made poor investment calculations and uneconomic cost recovery methods, rents and its member defaulting on payments

2.14 Conceptual Framework

2.14.1 Concept of Co-operatives

Co-operatives have become widely acknowledged in informal private sectors in which people pool their resources towards achieving a particular goal. Develtere (2008) states that co-operatives are group based, autonomous enterprises with open and voluntary membership and democratic governance. The International Labour Organisation (ILO) (2002) proposes that co-operatives can be defined as associations of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organisation, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in which

the members actively participate. A related definition is given by the International Co-operative Alliance (ICA), Statement on co-operative Identity (1995) views co-operatives as autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise. In view of the proposed definitions, it is apparent that democracy and autonomy are the very essence of co-operatives. It implies that co-operatives are governed by one-member-one vote. Taimni (2001) further explains that in a co-operative, democracy is measured by involvement of members as well as by the counting of votes; members have the opportunity to influence the direction, actions and operations of the co-operative. Tchami (2007) notes that co-operatives exist in all sectors of the economy and are classified into two categories in which one offers services to their members, and the other provide jobs for their members. Housing co-operatives are categorised in the former where services are provided to their members.

According to the Zimbabwe Co-operative Societies Act 24:05 (2001) the co-operative movement is structured in three categories; the primary co-operative society, secondary co-operative societies and the apex organisations. According to Zimbabwe Co-operative Societies Act 24:05 (2001: 7) a primary co-operative refers to, "an association of natural persons, which are registered in terms of this Act and operate in accordance with the co-operative principles." Secondary co-operatives are defined as associations of primary co-operatives that also adhere to the seven principles of co-operatives. Apex co-operatives are the tertiary bodies representing primary or secondary society

co-operatives. Like most co-operatives, housing co-operatives are in a three stage form, they may exist at all levels.

2.14.2 Concept of Viability

Viability as a term is defined as practicality concerned with actual use rather than theoretical possibilities (American Heritage Dictionary, 2000). Viability refers to the feasibility, efficiency and effectiveness of the housing co-operatives as agents of shelter provision and a practical solution to the existing housing crises. In this study, the term “viability” is a key concept used to assess whether housing co-operatives are capable of success or continuing effectiveness in providing shelter to low income groups.

The concept can be considered as a point of reference to evaluate circumstances surrounding co-operatives which affect their capability of anticipated growth and development. Forms of viability include financial or economic viability, capacity to develop and capacity to achieve objectives.

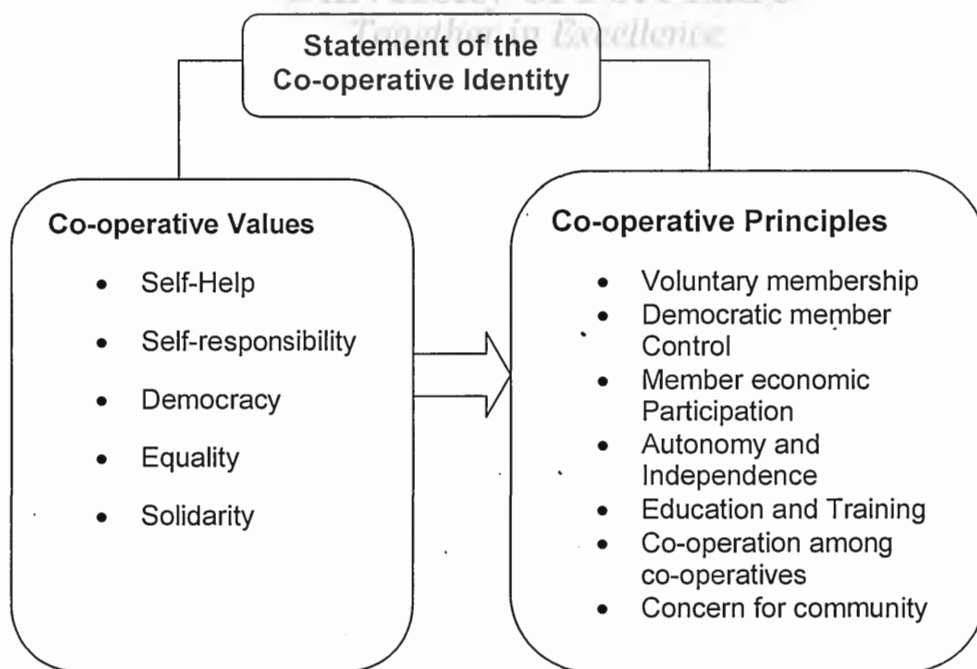
The viability of housing co-operatives was assessed by examining their adherence to co-operative principles. Aspects of financial and institutional viability seem to be the major concerns of a number of co-operatives in general (Taimni, 2001). Their financial efficiency and the extent to which the housing co-operative provided housing units and achieved its objectives for its members determine its viability.

2.14.3 Principles of Co-operatives

Birchall (2004) explains that the framework for understanding co-operatives is through their values and principles which form a basis of their identity. Skurnik (2002) states that

the social values upon which the principles of co-operation are based are; self-help, self-responsibility, democracy, equality, equity and solidarity. According to the ILO (2002) and ICA (2001), co-operatives are guided by seven principles which reinforce the definition of co-operatives. Principles refer to the fundamental truths that have become settled as self-evident precepts governing actions, policy and management. Mazibuko and Satgar (2008) maintain that for a co-operative to claim that it is successful it should be firmly grounded in the inherent principles of co-operatives because it gives its character and advantage. These principles, therefore, appear as preconditions of success for co-operatives in general. Figure 2.1 gives an illustration of the co-operatives' identity statement; showing the values and principles of co-operatives.

Figure 2. 3: The Identity Statement of the Co-operative



Adapted from: ICA (2004: 24)

The first principle of co-operatives is that they are *voluntary and open organisations* (ICA, 1996 and Sukumar, 2001). This means that members can join a co-operative freely, and in the same manner they are free to exit without being compelled. As such, any person can be a member regardless of their gender, class, social, racial or political affiliation as long as they share the same objective and accept the responsibilities of membership. Tchami (2007) adds that co-operatives can only be viable if they are able to retain support from their members and manage to draw new members without any form of discrimination.

Secondly, co-operatives are *democratic organisations* where members actively participate in setting their policies and making decisions (ICA, 1996). Since it is practically impossible for all the members to manage the co-operative jointly, individuals from the co-operative are appointed to represent the organisation and to act on behalf of the members (Serdian, 2005). According to Zimbabwe's Co-operative Societies Act 24: 05 (2001) the elected executive committee is accountable to the membership hence members have the right to elect and dismiss their executive committee members through a general meeting. Serdian (2005) suggests that in this case members have equal voting rights regardless of their financial contribution in the co-operative. The rule of "one member, one vote" is to a great deal applicable.

Thirdly, *members equally contribute to the capital* of their co-operative. Part of the capital is usually the common property of the co-operative (Serdian, 2005 and ICA, 2004). There is a limitation of share capital interest, meaning that if members allocate surpluses for developing their co-operative, the capital is undividable, it is channeled to setting up reserves. Williams (2007) affirms that co-operative members share capital is

limited so that no member with a lot of money has a greater equity in the co-operative. Consequently this prevents wealthy members from dominating the affairs of the co-operative at the expense of the poor and the whole co-operative (DTI, 2004).

The fourth principle is that co-operatives are *autonomous self-help organisations* which are controlled by their members (ICA, 2004). The assumption is that they operate independently from their governments. In circumstances where they enter into agreements with other organisations or receive financial aid from external sources, they agree on terms that ensure democratic control by their members and maintain their co-operative autonomy (Skurnik, 2002).

Provision of *education, training and information* which is the fifth principle implies that the co-operatives also initiate training for the members, elected representatives, employees and management which will contribute effectively to the development of the co-operative. For example, housing co-operatives can take some of their members for artisanship training and building brigades are formed (Courtire, 2000). In addition, Skurnik (2002) mentions that co-operatives inform the general public, especially low income groups about the benefits of co-operatives. Through education and training initiatives, co-operatives have the ability to develop human resources capacity and contribute to sustainable development of human capital (Birchall, 2003).

Principle six is *Co-operation among co-operatives* ensures the strengthening of the co-operative movement (ICA, 2004). This is initiated by working together through local, national, global and international structures, for example, the Zimbabwe National Association of Housing Co-operatives (ZINAHCO) as an apex body of housing

co-operatives at national level, supports its members technically and financially. The International Co-operative Alliance, on the other hand, offers external support at international level to member countries in strengthening the co-operative movement (ICA, 2004). Furthermore, Birchall (2003) concludes that this principle of co-operation among co-operatives implies that isolated co-operatives will practically remain economically weak, whereas connected co-operatives will gain strength from networking. While it is ideal for co-operatives to co-operate, Chambo (2009) argues that it may be complex for them to integrate at sectorial and national level because co-operatives are naturally different, varying from their roles and objectives.



The last principle is that co-operatives have *concern for the community* and as such, they operate to ensure a sustainable development of the surrounding community through policies approved by their members (Skurnik, 2002 and ICA, 2004). Co-operatives have the potential to create and foster income generating activities and sustainable descent employment. Services rendered by co-operatives can contribute to the development of the communities as well as the nation through improving the socio-economic situation of their members (UNSP, 2005). Housing co-operatives in this instance recognise the need for facilitating the provision of shelter for their members and their households as well.

Skurnik (2002) validates the importance of co-operative principles by suggesting that they provide a general starting point and motive to co-operatives. The principles of co-operatives can be viewed as guide posts which steer the direction in which co-operatives ought to take. Skurnik (2002) acknowledges that the principles' emphasis

on working together, democratic co-operation has led to the social and economic stability of society especially in countries such as Finland. Co-operatives with their bottom-up networking nature offer a logical way of solving the economic problems of ordinary people in society and are an alternative way of developing locally compared to the top-down method where control is concentrated in the hands of a few. The co-operative model has also proved useful in organising other economic activities in society, especially within the social economy of the third sector between the private and public spheres (Skurnik, 2002).

Macpherson (1995) suggests that these principles are more than the sum of their parts, they are linked together in a multifaceted manner such that when practiced they have a great synergic effect. The principles are not independent of each other, it is therefore difficult to evaluate co-operatives based on one principle but they can only be evaluated on how well they adhere to the set of principles holistically.

The application of co-operative principles as a conceptual framework in this study is useful in that the co-operative principles are flexible in their aspect when being applied to different contexts. Tamini (2001) concurs that co-operative principles are elastic hence they are applicable with different degrees of detail to different kinds of co-operatives.

While the co-operative principles are accepted and appreciated by co-operative organisations internationally, Couture (2002: 8) notes that there are still gaps within these principles. There is an existing gap between theory and practice. For instance,

establishing sustainable co-operative governance which responds to member's wishes and intentions may be a challenge.

2.15 Theoretical Framework

Co-operatives, as social and economic systems are not founded upon one specific theory. Co-operatives are built upon a collection of ideas and concepts which continue to develop with time. These concepts include mutuality, equitable sharing of gains and losses, self-help, a union of persons with a common problem (Okayasu, 2000). This study accentuates concepts of collective action, collectivism which leads to the co-operative theory and principles underpinning this study.

2.15.1 Collective Action Theory

Collective action approach embraces shared interests, purposes and values among individuals. Taylor and Francis (2001) define collective action as the voluntary provision of goods and services. Therefore, People must be able to co-operate in order to provide themselves the goods and services they desire. Collective action begets incentives for co-operation and the evolution of co-operative individuals (Smith and Oxley, 2008). Collective action is for that reason not an action of an individual but an activity of a group of people who share a common interest, opinion and act jointly in agreement. Harris *et al* (1996) point out that at the core of any form of collective action lies a key group of individuals who recognise that they face a common predicament or perceived opportunity and are prepared to work co-operatively to address the common goal. It is therefore valid to infer that collective action as a theory is not only premised on the concept of sharing mutual ideas and problems but should also be complemented by a certain level of activity to fulfill an objective.

2.15.2 Co-operative Theory

The co-operative theory is informed by the ideas of collective action and collectivism. The use of co-operative theory provides knowledge about the expected behaviour of co-operatives in their various contexts and it offers insight on the implications of co-operatives choice of objectives. According to Okayasu (2002) co-operative theory holds that co-operatives are mutually dependent “economic units”, that is, a group of economic units that co-ordinate their activities for economic gains. Co-operatives serve as edifiers of living patterns concerned with the improvement of social conditions such as health, education, housing matters only distantly and indirectly related to economic gains (Okayasu, 2000). For co-operation to be efficient there has to be an element of homogeneity. Homogeneity refers to uniformity which could be based in terms of ethnicity, religion and social class. This type of homogeneity, Meinzein-Dick *et al* (2004) argue that it is a catalyst for direction to universal goals and common direction amongst group members. Consensus and mobilisation of efforts are essential facets in co-operation.

Birchall and Simmons (2008) emphasise that a general concept in all co-operatives is the joint action of a group of people on the basis of democracy and self-help so as to realise the required service. The conceptualisation of the modern co-operative movement is attributed to Rochdale society of equitable pioneers who designed specific guidelines for the operation of their co-operative. The Rochdale principles have been widely adopted and shared by numerous organisations today. ICA (2001) also recognises that co-operatives have different forms but their role is to enhance participation in the social and economic development of communities. Rowlands

(2009: 3) comments that for co-operatives it is theoretically valid to say that, "the sum is greater than the individual parts". Co-operation on the face of it, therefore, resembles the idea that working together has more value than as an individual.

2.15.3 Advantages of Collective Action and Co-operative Theory

Aspects of collective action theory and the co-operative theory share similar concepts in that their ideas complement each other. It is therefore essential to analyse the strengths and weaknesses of both theories in the same context. Collective Action theory and Co-operative theory are useful in this study in that they explain the basis on which co-operatives were formed. In addition, it is an alternative mechanism of examining the involvement of local communities in promoting strategies to economic and social development.

According to Meinzein-Dick *et al* (2004) co-operatives and collective action are grounded in concepts of social capital⁴ and social cohesion⁵. Social capital is regarded as a collective good because it is the recognition of the importance of social relations for people's livelihoods, development programs and economic growth (Meinzein-Dick *et al*, 2004). Ostrom (1999) furthermore confirms that social capital facilitates collective action. Once people have common experiences, belief systems and ideas, it creates a platform from which they can co-operate.

⁴ Social capital refers to shared knowledge, norms, rules, expectations about patterns of interactions that groups of individuals bring to recurrent activity (Meinzein-Dick, Diregeio and McCarthy, 2004)

⁵ Social cohesion is the amount of natural affection among members and attraction to the group. A higher degree of cohesiveness leads to high degrees of motivation and commitment to the team (Wheelan, 1999)

The use of co-operative theory provides knowledge about the expected behaviour of co-operatives in their various contexts and it offers insight on the implications of co-operatives' choice of objectives. This, therefore, validates its use in exploring the operational processes within the housing co-operative itself and its external institutional context. In order to develop an understanding of housing co-operatives and the realisations of their full potential, the thorough understanding and awareness of the advantages of co-operative theory and collective action theories is a valuable requirement for this study.

2.15.4 Disadvantages of Collective Action and Co-operative Theory

The co-operative theory has been criticised for overlooking the idea that some communities are heterogeneous in terms of religion and social class and this may be detrimental to co-operation. These differences may compromise harmony within a co-operative. Sukumar (2001) argues that income inequality might affect collective action stemming from the idea that such inequality generates distinct group identities such as social classes. As such, a result of increase in inequality will lead to heterogeneity and less of co-operation.

Sukumar (2001) and Jones (2004) argue that in a collective, there is the problem of "free riders". Individuals in a collective may benefit from being in the group without necessarily giving any input to production or management. For instance, an individual in a housing co-operative may obtain the benefits of the co-operative without participating in the decision-making process.

Okayasu (2000) adds that assuming that groups share equal power and resources is a flawed approach to communities and co-operatives as well. It should be taken into consideration that the co-operative approach does not account for social and political variables within co-operatives. Sometimes there have to be checks and balances initiated so as to ensure that power is not concentrated on a few individuals. Rowlands (2009) explains that this factor can be countered by effective democratic structures. Democratic participation allows a balance of power and reconciles differences within a group.

Harris *et al* (1996) argue that although common economic or social issues represent necessary conditions for co-operative development, they do not appear to be sufficient conditions. The formation of co-operatives also depends on outside institutional support, collective activity may perhaps be of benefit but groups of people may encounter problems in an attempt to co-ordinate their individual actions to achieve these goals and benefits. Low income groups in their various locality share common economic and social constraints which provide the motivation for forming co-operatives. Nevertheless the process of forming housing co-operatives is also aided by outside agents who provide the co-operative approach as a possible solution and offer assistance in getting the co-operative established.

One of the apparently controversial aspects of co-operative theory and collective action pertains to the practical operationalisation of the concepts for empirical research. Meinzein-Dick *et al* (2004) affirm that co-operation and collective action cannot be measured directly. Given the theoretical backdrop of co-operatives, the next section on empirical review will present a practical assessment on cases where the concepts of

co-operatives have been implemented, as observed by housing co-operatives in their various contexts.

2.16 Empirical Review

This section will refer to case studies in which the co-operative approach has been put into practice and the extent to which the housing co-operatives have been viable in meeting their objectives. Practical studies carried out by other researchers on co-operatives will be reviewed the objectives of their studies and their findings will also be explored. Cases of three different countries will be explored giving the global experience of Nepal, an African perspective of Ethiopia and followed by the Zimbabwean experience.

2.16.1 Case of Nepal housing co-operatives

Sedhian (2005) carried out a study in Nepal to explore the potential of the housing co-operatives through mutual aid to address the housing needs of the urban poor. Sedhain (2005) conducted three different case studies in Nepal, the first case is of Uruguay's mutual-aid housing co-operative, to determine and identify the conditions necessary for the development of housing co-operatives and the imperative elements for its good performance. The second case study was of an Indian co-operative with similar context to that of Nepal. The third case was of a co-operative model in housing by an NGO Lumathi in Kathmandu. Sedhain's (2005) study aimed at finding out alternative solutions of housing with a specific target to the low income urban people, to comprehend the way other housing co-operatives operate in their area and to assess its potential. To conduct the case studies, Sedhain (2005) made reference to documents

and secondary data, interviews and observations where were the main methods used to collect information on all three cases.

Sedhain (2005) found that the following elements are fundamental in the functioning of housing co-operatives: Housing policy /legal framework/Institutional structures, financial mechanism and organisational aspects. These elements are fundamental in the functioning of housing co-operatives in that they determine the potentials and hindrances for the development of housing co-operatives. Sedhain (2005) further explains that a housing policy and a legal framework for housing can add to the flourishing of a housing co-operative system. While Sedhain's (2005) findings are significant as a tool for analysing co-operatives, an important reflection of Nepal's Co-operative Act may have been omitted. An analysis of the co-operative policy would also assist in explaining the legislative and institutional framework of housing co-operatives.

2.16.2. A case of Housing co-operatives in Ethiopia

A study conducted by Melese (2003) in Ethiopia on the impediments to co-operative housing in Amahara region. Melese's (2003) objective of the study was to evaluate the viability of co-operative housing to address the housing problem. In conducting the research Melese (2003) intended to gain insight on the potentials and constraints of co-operative housing in achieving their objective of housing provision.

Melese (2003) used Ethiopian housing co-operatives as a case study to explore whether co-operatives strengthen smallholder farmer livelihoods by facilitating their engagement in international trade. Melese (2003) attempts to establish the extent to

which housing co-operatives are a feasible strategy to resolve the prevailing critical housing problems in Ethiopia and assesses the strengths and weaknesses of the co-operative approach.

Melese's (2003) methodology to access information was through administering questionnaires to households who belong to housing co-operatives. From a total of 16 housing co-operatives, 150 households who belong to the co-operatives were randomly selected as the sample population. Additional information was solicited from the Bureau of co-operative and the municipality of Bahirdir. The study revealed that for co-operatives to be successful, the government of Ethiopia had a large role to play. Governments have the responsibility of creating a conducive environment in which co-operatives can operate, hence there is need for institutional structures that offer administrative, technical and financial services.

Public and private housing institutions in Ethiopia are less effective hence the dire need to engage co-operative housing initiatives. In support of this view Melese (2003) cites (Lewin, 1981 and UNCHS, 1989) who affirm that housing co-operatives are a secure source of housing for the urban poor. Having discovered that housing co-operatives may have been incapacitated in assisting with the housing problem, Melese (2003) found the following to be the factors that cause challenges encountered by housing co-operatives; land provision, lack of housing finance, infrastructural high standards required. Melese (2003) criticises the manner in which land is allocated to housing co-operative members, because selection is based on one being formally employed and on the amount of income they get. Lack of housing funds from finance institutions have hampered efforts of middle and low income groups co-operatives. Melese (2003) notes

that the area in which housing co-operatives are given to construct houses lack utilities and amenities such as electricity, water and reticulation, schools and transport. The government of Ethiopia requires houses to be designed in accordance to specified standards with skilled labour, however, according to Melese (2003) these standards are too high especially for low income groups who prefer self-help construction. Melese's (2003) findings are valid but may be limited in that more concentration and focus was directed to government or local authorities to ensure the viability of housing co-operatives in Ethiopia. There may have been an oversight to the internal challenges that housing co-operatives encounter in Ethiopia. Melese (2003) may have overlooked the possibility that apart from these challenges there may be dysfunctions within the co-operatives such as lack of education, capacity building, commitment and participation on the part of co-operative members.

2.16.3 Zimbabwe Housing co-operatives case study

Vakil (1994) carried out a qualitative study of five urban housing co-operatives in Zimbabwe, four from Harare and one from Bulawayo based on how housing co-operatives might contribute to women's shelter and development. Three of the following housing co-operatives were work-based and had male members exclusively; Cotton printers co-operative, Takura Housing Co-operative and Capri housing co-operative. Two of the remaining housing co-operatives Kugarika Kushinga and Tashinga were community based, its membership was mostly 20% female. The findings suggested that apart from their undeveloped nature, housing co-operatives managed to construct at costs lower than the private and government sponsored sectors. This may

imply though, that the standard and quality of houses constructed may have been lower as compared to those constructed by the government and private sector. Vakil (1994) concluded that this implies that if these organisations were provided with more effective direct and indirect assistance, they had the capacity to contribute significantly to narrowing the shelter gap for low income households. Findings also revealed that the housing co-operatives were able to sustain high savings over a long period of time. It is also worth noting that the two community-based co-operatives whose incomes were relatively low to that of work based co-operatives, contributed higher monthly rates (Vakil, 1994). Work place based housing co-operatives had the advantage of receiving resource inputs from their companies where members worked. Such advantages resulted in higher revenues and lower fixed costs for the workplace based co-operatives.

Findings also revealed that community based housing co-operatives experienced external interference from political activists who wanted to use the co-operative to fulfill their political agendas. This problem was attributed to the nature of the co-operative whose members were drawn from the community, hence local political leaders might have seen the co-operative a threat since their political mileage also comes from the community. In addition, the large female membership of the co-operatives increased its vulnerability and susceptibility (Vakil, 1994). Vakil's (1994) findings may have been biased in assuming that women caused the co-operative to be less viable. Assuming that male domination could have made the co-operative less vulnerable may have been an oversight.

The study suggested that housing co-operatives may be a viable alternative for those in search for shelter when given an opportunity to function within a collective (Vakil, 1994). Housing co-operatives do hold the potential to provide shelter for women and low income groups but there are other issues that should be addressed such as effective training of the co-operative members to obtain skills. Leadership and management issues became a problem, since the co-operatives were self-managed by members who lacked managerial, technical, legal, or financial expertise. Additionally, housing co-operatives need to act independently from external political interference. Intervention of an external non-governmental organisation could provide a co-ordinative role of technical, funding and training skills and this would make the housing co-operatives less vulnerable. With some of these measures put in place, housing co-operatives would be more significant players in the housing sector. However, Vakil's (1994) study did not take into cognisance other aspects of the co-operative principles that may have assisted in evaluating the viability of the housing co-operatives researched. Moreover, apart from the gender differences there are aspects of status, power, authority and economic resources that affect a housing co-operative's viability.

Chirisa and Munzwa (2008) also conducted a study of Tashinga housing co-operative based in Dzivarasekwa township in Harare in May 2008. Findings show that in the first nine years of formation in 1989 the co-operative was successful in raising significant funds to purchase stands through assistance from a professional organisation, Housing People of Zimbabwe. However, in the year 2000 construction could not be executed due to unstable macro-economic environment and high inflation rate. Moreover, apart from external economic factors, Tashinga housing co-operatives' viability was

compromised by internal matters. According to Chirisa and Munzwa (2008) success of a housing co-operative can no more than be determined by high levels of democracy, principles of good governance such as transparency, accountability, and flexibility which Tashinga housing co-operative lacked.

2.17 Conclusion

In this chapter the milieu in which the co-operative idea originated and developed has been depicted. The essence of the co-operative movement in housing has been explained, the policies and legislative framework that govern co-operatives have also been described. The most significant drivers of viability according to the literature reviewed appear to be management quality, financial and economic viability of a co-operative. However, this does not dispute the fact that there are other internal and external factors that apparently have an effect on the viability of housing co-operatives.

The chapter also gave the theoretical assumptions surrounding co-operatives. To further comprehend the operation, advantages and flaws of housing co-operatives, empirical evidence has been illustrated in three different contexts.

From the above mentioned empirical studies it is clear that there is no formula or blue print for a successful co-operative. However, there are certain pre-conditions which, although insufficient in themselves to guarantee success, could be used as a basis from which to enhance the development of a co-operative (Mazibuko and Satgar, 2008). The principles of co-operatives require acknowledgement and need to be taken into cognisance. According to Mazibuko and Satgar (2008) it might therefore be necessary to complement more general pre-conditions for success with context specific

interventions deriving from the varied activities that co-operatives are involved in, such as internal institutional dynamics, the state of the co-operative sector and wider external challenges.



CHAPTER 3

THE STATUS OF CO-OPERATIVE HOUSING IN ZIMBABWE

3.1 Introduction

This chapter will begin by providing the profile of Zimbabwe, the socio-economic, demographic profile of the research site and the geographical aspect of Bulawayo province. A historical overview of co-operatives in Zimbabwe will be presented. This chapter will also identify the current status of co-operatives, their structures and movements in Bulawayo. The existing circumstance and image of housing co-operatives within the study area will be highlighted.

3.2 Profile of Zimbabwe

Zimbabwe is a developing country and is situated in the sub-Saharan region of Africa. Zimbabwe's total land area is 390 757 square kilometers. The country's current population stands at 11,634,663 (CSO, 2010). Zimbabwe has a total administration of ten provinces, namely Harare, Bulawayo, Midlands, Manicaland, Matabeleland South, Matabeleland North, Mashonaland East, Mashonaland West, Masvingo and Mashonaland Central. According to UN-Habitat (2008), Zimbabwe has an urban population of 36% with urban growth estimated at 4%. Zimbabwe's urban population is mostly high in the country's capital cities especially in Harare and Bulawayo (Mapira, 2004).

Zimbabwe's economic structure is that of a lower and middle income composition. The nation's economy revolves around agriculture, mining and manufacturing. Since the year 2000, the nation's macro-economy was characterised of a shrinking agricultural sector, high rates of inflation, deep poverty, a manufacturing sector operating at below 20% capacity and unemployment estimated in the 80% range (Chatiza and Mlalazi, 2009). As a way of resolving these economic problems, the government of Zimbabwe adopted the Short-Term Emergency Recovery Program (STERP) in March 2009 (Kramarenko *et al*, 2010). Under this programme, the Zimbabwean dollar was eliminated as a national currency and the multiple currency system was adopted, mostly using the United States Dollar, South African Rand, British Pound and Botswana Pula. STERP measures have led to a relative stabilisation of the Zimbabwean economy with reduced hyperinflation, a decline in price levels and interest rates (Makina, 2009 and Kramarenko *et al*, 2010). It is sufficient to suggest that Zimbabwe's economy may be in a current state of recovery.

3.2.1 Description of the Study Area: Bulawayo

Geographic Context

The province of Bulawayo is geographically located in the Southern region of Zimbabwe and covers 45, 790 hectares. The province represents an important international transportation route for traffic flows between South Africa and countries north of Limpopo river. Figure 4.1 below shows a location map of Bulawayo.

Demographic and Socio-Economic characteristics

Bulawayo being the second largest province in Zimbabwe was awarded its provincial status in 1997. The province has a population of 621 742, however, some claim that this figure could be more with approximately one million people (Chereni, 2010 and Zaaier, 1998). In the year 2000, Bulawayo had a population growth of 5.0% per annum with 60% of the population being economically active (Gwebu, 2002).

Bulawayo's population is mainly dominated by the Ndebele people with some inhabitants being from the Shona ethnic group and the minority which consist of 4% being whites and Asians.

Figure 3. 1: Map of Bulawayo



Southern Africa Portal (2010) Adapted from:

<http://www.bulawayo1872.com/maps/outskirtsbyo1.htm>

Bulawayo province is comprised of high density, medium and low density areas. High density areas are located in the western part of the province and the low density areas in the southern and northern parts. Medium and low density areas are high income areas whereas most low income earners reside in the high density.

During the colonial era, Bulawayo was the largest urban centre but was suppressed by Harare city when it became an administrative centre of the colony, which later became the capital of the country. Economically Bulawayo is the second largest industrial centre, with the manufacturing sector being the most important sector of formal employment in the province. Construction and education also complement the manufacturing sector as key providers of formal sector employment. The province's economy however, declined after the implementation of the ESAP (1991-1995) failed, which led to the collapse of the industrial sector and massive layoffs (UN Zimbabwe, 2005). Since 1999, the Zimbabwean macro-economy has been unstable, characterised by hyperinflation, shortage of foreign currency, high interest rates and high unemployment rates (Mutandwa *et al*, 2008). Foreign direct investments have declined, resulting in multiple exchange rates and escalating costs of production of goods and services. Being the second largest province, Bulawayo's economy has also been strained by negative economic growth and increasing poverty levels.

3.3 Co-operatives in Zimbabwe: An overview

3.3.1 Historical Overview

According to the government Policy of Co-operative Development (ZIMCORD, 1997 and Timba, 1992), co-operatives are not a new phenomenon in the Zimbabwean

context. Traditional Zimbabwean societies have always worked together in the form of *nhimbe* or *ilima* for activities such as cultivation and harvesting. Additionally, the UNCHS (2001) asserts that co-operation is certainly not a new concept in Zimbabwe, emphasising that by 1957 a legal basis for the formation and registration of co-operatives was established in the form of the Co-operative Societies Act (Chapter 193).

The first Co-operative Agricultural Societies Act was promulgated in 1909, under this act ten groups of European farmers formed themselves into co-operatives for the purpose of obtaining inputs and for marketing agricultural produce (ZIMCORD, 1997). In the year 1926, the Companies Act was enacted under which an additional five European settlers co-operatives were registered. The registration of co-operatives then ceased for the next forty years. In 1956, and for the first time, the government addressed the establishment of co-operatives for the indigenous people when the Peasant Co-operative Societies Act was promulgated. Since then, groups of small scale indigenous persons have formed co-operatives for their economic advantage.

By 1963, seventy two societies with a membership of 6589 had been registered (ZIMCORD, 1997). In 1980, at independence this number increased to over 300 operational societies. Prior to independence there were more than 200 operational registered co-operatives in agricultural, marketing and credit sectors. They began with workers collectively forming produce co-operatives where they owned and worked collectively to control their produce. Subsequently after independence the co-operative movement spread to other sectors such as fishery, mining, transport, manufacturing, retail, finance, social services and construction. Prior to independence it was

characterised of structural imbalances such as developed commercial agriculture and industrial sectors on the one hand, and an underdeveloped peasant sector on the other. The development of a strong and economically viable and self-reliant co-operative sector appears to be an essential aspect of strategies aimed at economic growth and development of the country. A co-operative enables people of limited means, through the pooling of their resources to embark on economic ventures which would be beyond the reach of an individual. The government of Zimbabwe saw the promotion of co-operatives as a strategy for accelerating economic development amongst people and by 1989 had registered approximately 1500 more co-operatives bringing the total to 1800 registered co-operatives. By 1992 the Ministry of Community and Co-operative Development had registered 2000 co-operatives with about 600 co-operatives engaged in agriculture, mining, fishing, industry and commerce (UNCHS, 2001 and Timba, 1992). According to the Ministry of Small and Medium Enterprise and Co-operative Development there are currently approximately 2800 registered co-operatives in almost every sector of the economy, Ministry of Small and Medium Enterprise and Co-operative report (SMECD, 2009).

3.3.2 Governments role in co-operative development

Melese (2003) cited that housing developers and housing finance experts unanimously agree that governments have a significant role to play in the housing markets of their countries. As such assessing the influence of government, whether direct or indirect in the context of the development of housing co-operatives is important.

Initially, through the Ministry of National Affairs and Employment Creation Co-operatives (MNAECC) government engaged in a strategy to develop the capacity and capability of

co-operative leaders, members and staff in order to enable them to effectively manage, control and finance their operations.

The Zimbabwean governments' main thrust in support of the co-operative movement has been to provide advisory services coupled with co-operative education and training. To achieve these research planning systems, development information and documentation statistics activities had to be provided. Additionally, government became involved in making material resources available to the co-operative sector mainly in form of long, medium and short term credit for feasible and viable operations. From 1989 to 1992 the number of co-operative societies increased rapidly and the demand of effective co-operative business and advisory services existed at every level of the co-operative structure. Demands were enormous and outstripped the amount of resources that government had prepared to commit to co-operative development.

Economic Structural Adjustment Programme and effects on co-operative movement:

Economic Structural Adjustment Programme (ESAP) was implemented in Zimbabwe in 1990. ESAPs components were economic liberalisation, devaluation of the currency, removal of subsidies and such measures had an immediate and severe effect on the co-operative movement especially economic.

Economic liberalisation entailed, the removal of price controls, removal of favourable interest rates caused co-operatives to cash trading which resulted in a substantial loss of business turnover. Co-operatives suffered most in agricultural input and supply operations. Privatisation, liberalisation and structural changes on the other hand present

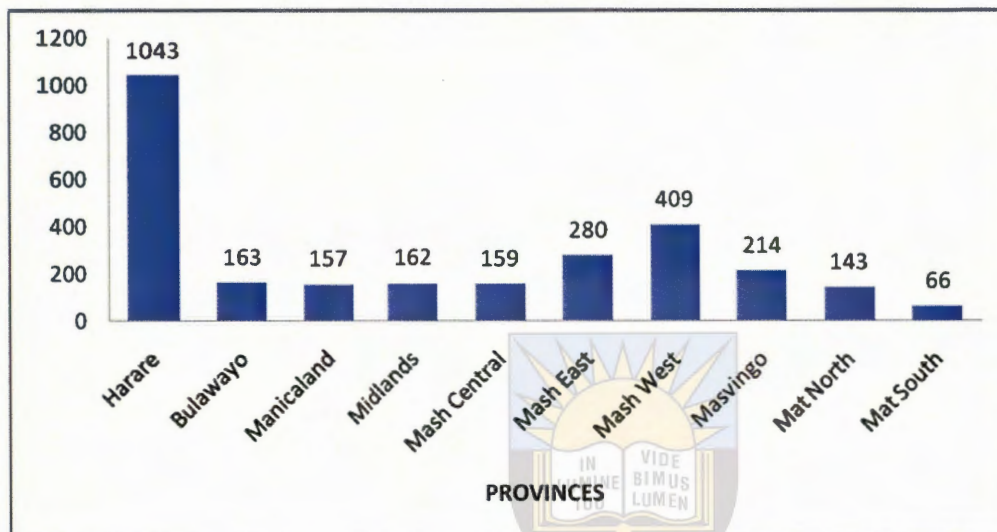
the co-operative movement with an immense challenge, thus providing an opportunity for co-operatives to fill the gap left by privatised parastatals. Co-operatives can also enter into joint ventures with the private sector and may lease and buy farms.

3.4 The State of the Co-operative Sector in Zimbabwe

This section attempts to establish the types of co-operatives existing in the country. While statistical data on co-operatives is apparently limited, data collected from various secondary sources though not extensive, played a critical role in contributing to the compilation of this section. According to statistics from the Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) (2009), there are a total number of 2800 registered co-operatives in Zimbabwe.

Co-operatives distribution per province is set out in figure 4.2. The figure indicates that the co-operative movement is mostly active in Harare with 1043 registered co-operatives; followed by Mashonaland West with 380. It is also evident that co-operatives are less represented and less active in Matabeleland North and Matabeleland South. The reason for this disparity could be that co-operatives are mostly promoted and active in the urban areas such as in the capital city, Harare being the largest and observing less co-operative activity in the Matabeleland region where Matabeleland South only has 66 registered co-operatives.

Figure 3. 2: Summary of Co-operatives by Province

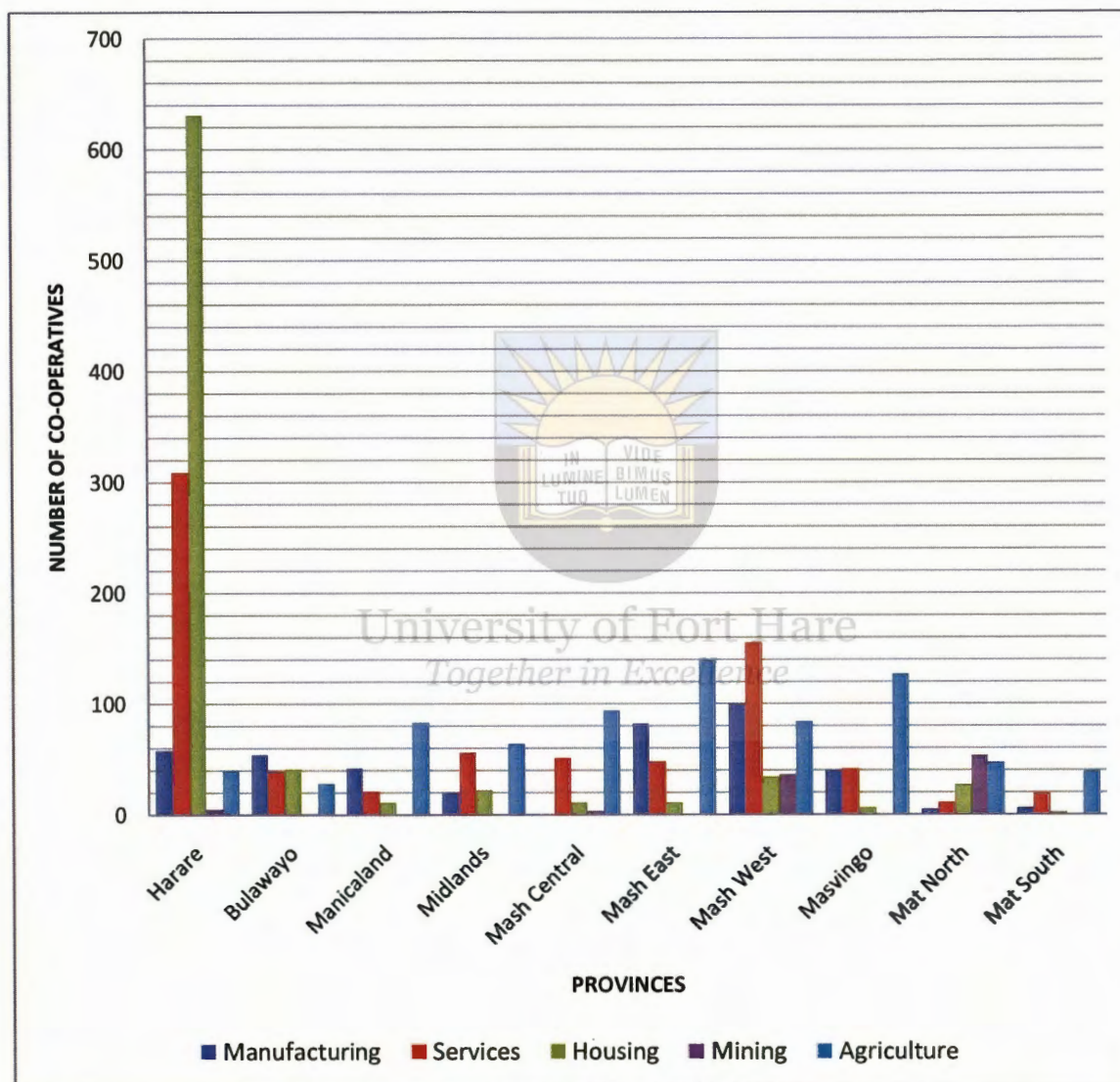


Source: Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) (2009: 3)

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Co-operatives in Zimbabwe exist in five major sectors of the economy, namely; agriculture, mining, housing, services and manufacturing. Figure 4. 3 below gives an illustration of the distribution of co-operatives by sector for each province.

Figure 3. 3: Distribution of Co-operatives by Sector and Province



Source: Ministry of Small and Medium Enterprise and Co-operatives Development (SMECD) (2009: 5)

3.5 Housing Co-operatives in Zimbabwe

As mentioned by Mubvani and Kamete (2001) the housing co-operative movement in Zimbabwe increased due to the incapability of existing housing finance systems to meet

the majority's housing requirements. ZINACHO (2009) notes that housing co-operatives have a brief background in Zimbabwe, the first housing co-operative was established in the year 1985 in Bulawayo the second largest province of Zimbabwe. A year later a second one was formed in Harare, and by 1997 there were over 180 housing co-operatives in the urban areas of Zimbabwe (Kamete, 1998) and Mubvami and Kamete (2001). Mashumba (2002: 14) establishes that there was a profound emergence of housing co-operatives in Zimbabwe during the late 1990's period and the majority of the co-operatives composed of members from "low income groups such as domestic workers, security guards, informal traders, commercial and industrial workers." It was estimated that by the year 2000, co-operatives would supply 6 per cent to low income housing. To date there are over 1000 registered housing co-operatives with a total membership of 20 000 households of which most members are from the low income bracket (ZINACHO, 2009).

The notion of housing co-operatives in Zimbabwe continues to be strengthened by existing coalition organisations. According to ZINACH and HPZ (2009) organisations in the coalition are the Housing People of Zimbabwe (HPZ), Zimbabwe National Association of Housing Co-operatives (ZINAHCO), Zimbabwe Homeless People's Federation (ZIHOPF) and Dialogue on Shelter for the Homeless Trust. Organisations that have played a practically significant role to the development of housing co-operatives are the Housing People of Zimbabwe (HPZ) and the Zimbabwe National Association of Housing Co-operatives (ZINAHCO).

HPZ is a non-profit making organisation which offers consultation in housing finance, management training, legal and technical services. Zimbabwe National Association of

Housing Co-operatives (ZINAHCO) is an apex organisation for the housing co-operatives which has fostered the development of their member co-operatives through providing technical assistance and offering representation at provincial and national level. On the whole these organisations work in partnership with an objective to facilitate the provision of housing in Zimbabwe.

UNCHS (2001) points out that it is worth mentioning that Zimbabwe's housing co-operatives have demonstrated some form of viability and have been revealed being among the well established co-operatives in Southern Africa. However, the country has been experiencing an economic decline since 1997 and this has made housing less affordable to low income groups and has led to the reduction of funds available to co-operatives. Consequently, the housing co-operative movement has been slowed down.

3.6 Co-operatives in Bulawayo

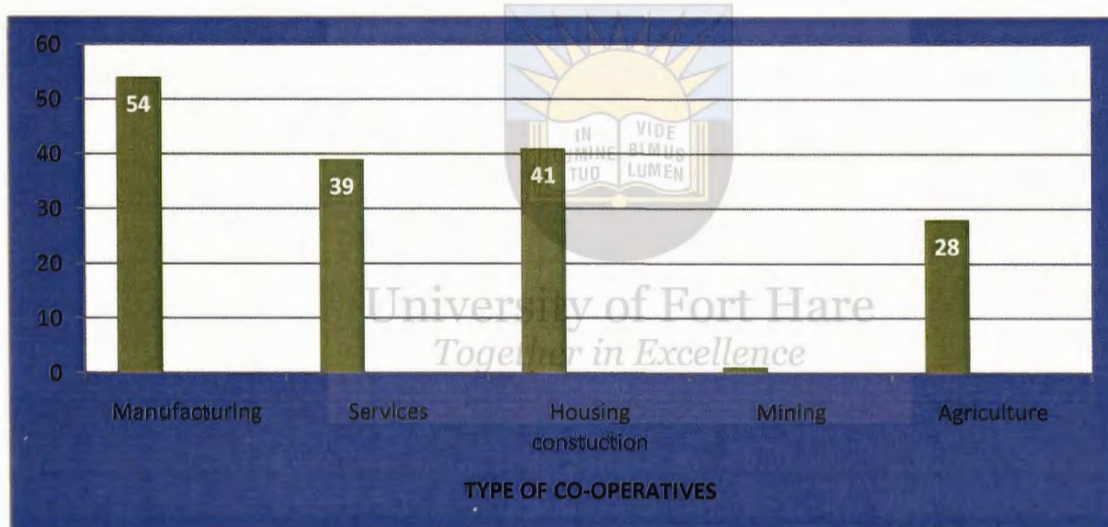
Co-operatives in Bulawayo, like any other province in Zimbabwe, are governed by the Co-operatives department of the Ministry of Small and Medium Enterprises and Co-operative Development (SMECD). The Department of Co-operatives acts as the custodian of the Co-operatives formation Act (SMECD, 2009). Co-operative movement in Bulawayo has substantially developed, with co-operatives being formed in major sectors of the economy such as agriculture, fishing, mining, transport, manufacturing, social and personal services and construction. Zaaizer (1998) points out that in 1995 about 15 production co-operatives were established in the area of manufacturing electronic, cosmetics, brick molding and retail, including the promotion of housing and

savings and credit co-operatives. However, not all co-operative initiatives were successful; Zaaier (1998) gives an example of Bulawayo clothing factory whose co-operative business collapsed due to severe financial problems and a lack of entrepreneurial background.

As a means of coming up with innovative strategies to housing delivery, housing co-operatives from 2003 were supported through lessening regulations for co-operative members. Co-operative members did not have to wait on the housing waiting list but were allocated land for housing; money for servicing the stands was contributed by each member and construction done collectively (Chereni, 2010). Figure 4.4 gives a summary of co-operatives by sector in Bulawayo. It is apparent that as compared to other co-operative sectors, a large number of co-operatives are in the manufacturing sector with a total of 45. Manufacturing activities that are dominant in Bulawayo include light manufacturing such as welding, carpentry, bakery, grinding mills. Co-operatives in Bulawayo are also largely represented in the form of small business enterprising, multi-purpose activities in supply of consumer goods and savings and credit co-operatives. The slightly higher representation of housing co-operatives can be explained by the shift by the city council from conventional means of housing provision to more emphasis on housing co-operatives. The focus on housing co-operatives has also been a reaction to the escalation of housing prices, high rentals in the province and the shrinking supply of accommodation. Housing co-operatives in Bulawayo constitute 25% of the total registered in the province. In comparison with Harare province whose housing co-operatives consist of 60% of the co-operative sector, it is evident that housing co-operatives in Bulawayo may have the potential to increase in numbers. Although

housing co-operatives have been operating for more than two decades in Bulawayo, their contribution to housing development is less significant. According to Mubvami and Kamete (2001), housing co-operatives in Bulawayo have only contributed 0.5% to the provinces's housing delivery as compared to Harare which have contributed 9.0% to housing delivery.

Figure 3. 4: Summary of Co-operatives by Sector in Bulawayo Province



Source: Ministry of small and Medium Enterprise and Co-operatives Development (2009: 5)

3.7 Legislative Policy affecting Housing Co-operatives in Zimbabwe

3.7.1 Co-operative Policy

Reflection of Zimbabwe's Co-operative Societies Act 24: 05

The Co-operative Societies Act was first promulgated in 1990 and amended in 2001. The Co-operative Act provides for the formation, registration, regulation, management, functioning and dissolution of the co-operative societies according to the government policy. The Ministry of Small and Medium Enterprises and Co-operative Development is

responsible for encouraging the formation of co-operatives in all sectors of the economy, to carry out training programmes, to encourage proper utilisation of funds of co-operative societies. The Co-operatives Act (2001) states that the co-operative movement of Zimbabwe shall comprise of three categories, namely the primary, secondary and apex co-operative societies.

The Co-operative Act adheres to the international co-operatives principles which every registered co-operative society should comply with. These principles include the voluntary and open membership to every person, equal voting rights according to the co-operatives by-laws, education and training facilities shall be offered to members in a view to increase their skills, and the principle that society shall co-operate with other co-operatives.

The Co-operative Act states that the minimum number required to form a primary co-operatives such as a housing co-operative is not less than ten people who intend to be members. The basic requirements for a housing co-operative to be registered is the inclusion of the co-operatives prospective by-laws, letter of resolution signed by all founder members and a stipulated application fee. The Co-operatives Act provides that each member of the housing co-operative has the right to attend and vote at all general meetings as notified at least fifteen days before the meeting. Every meeting is required to have a clear agenda and any agreement reached shall be consented by the majority of the members. The functions of the housing co-operatives management committee are to prepare a budget of income and expenditure for each financial year and to present the budget to its members in the annual general meetings for deliberations. Zimbabwe's Co-operatives Act states that the name of the housing co-operative shall be

subsequent with the word “co-operative” and end with the, letter “limited” (Co-operative Societies Act 24:05, 2001). The significance of the Co-operative Act is by and large an indicator that the Zimbabwean government acknowledges the role that co-operatives play in social and economic development.

Although the Co-operative Societies Act offers a legislative framework in which co-operatives can be governed, it is no guarantee that the co-operatives will flourish and be self-reliant. The Co-operative Act presents all co-operatives as business enterprises and profit making organisations. Jacobs (2011: 47) states that housing co-operatives are not necessarily established for profit making purposes; as such they are quite distinct from other business enterprises. Moreover, the current placing of housing co-operatives under the mandate of the Ministry of Small and Medium Enterprises and Co-operative Development as the custodians of the co-operative policy makes it more complex. This may lead to the overshadowing of the co-operative sector by Small and Medium Enterprises.

3.7.2 National Housing policy in Zimbabwe

Since the independence of Zimbabwe in 1980, numerous policies and programmes have been initiated by the government to deal with housing delivery challenges. Some of these policies include; the Rent control regulations of 1982 implemented to regulate the rental market so as to protect both tenants and landlords, home ownership for the majority, the National Housing Fund (1982) was a general loan for local authorities to receive funds for housing construction and infrastructural development. The Housing Guarantee Fund (1985-1995) was also implemented to facilitate civil servants and general public employees with building loans for constructing houses (Chatiza and

Mlalazi, 2009). Other strategies of effective housing delivery included the implementation of minimum building standards, training of builders and artisans, housing upgrading programmes, promotion of Co-operatives and Community Based Organisations (CBOs), Private Sector Participation and Employment-based Schemes.

Zimbabwe's National Housing Policy of year 2000 focuses on regulating housing standards and land administration, taking into consideration that housing is a human right and basic need according to the Habitat Agenda of 2003. The main objective is to reduce housing backlog especially in the urban areas and to improve the quality of human settlements. The housing policy is concerned with management (from demand assessment to actual provision of physical units and associated services), housing standards, urban development and management including aspects of land administration, economic development and poverty eradication (Government of Zimbabwe, 2000).

The policy acknowledges that previous housing policies were rather inadequate in terms of resources and co-ordination. The policy addresses issues of finance, planning infrastructure, the role of central and local government, civil society and private sector agencies. The housing policy spells out a participatory development strategy, which recognises the involvement of all key stakeholders in housing delivery (Government of Zimbabwe, 2000).

Under the National Housing Policy is the National Housing Delivery Programme which also seeks to create a suitable environment for human settlement development. The Housing Delivery programme details Operation *Garikai/ Hlalani Kuhle* in which 310

406.6 hectares of peri-urban land was acquired so as to deliver 1 250 000 houses by 2008. From the targeted 5000 per annum, only 1200 units were constructed and construction has since ceased. It further proposes the establishment of the Housing Development Bank of Zimbabwe. The functions of this bank would be to provide soft loans to local authorities for infrastructure and housing development, providing bridging capital to land developers including housing co-operatives and civil society groups. Lastly, the prospective bank would provide mortgage facilities for individuals and financing capital projects for building materials (Chatiza and Mlalazi, 2009). The Infrastructure Development Bank of Zimbabwe (IDBZ) has since been established to support housing projects in partnership with the private sector. The National Housing Delivery Programme covering 2004 to 2008, overallly identified six components in housing delivery, namely; land acquisition, land use planning, on and off site servicing, land allocation and tenure, building materials and construction, and lastly housing finance. The national Housing policy proposes to support housing co-operatives in terms of legal, financial loans, training services and survey (Government of Zimbabwe, 2000).

In as much as the current Zimbabwean national housing policy supports the development of housing co-operatives, government has limited ability to provide financial and technical assistance for this (Vakil, 1994; Chirisa and Munzwa, 2008). The Co-operative Act 24:05 was put in place by the government as a guideline for co-operatives to operate, however, there is a gap in that it offers limited solutions as to how housing co-operatives can handle issues of managing themselves and their resources.

3.8 Conclusion

In conclusion, the researcher brought into light the existing co-operative status in Bulawayo and Zimbabwe as a whole. It is evident that there are disparities in co-operative movements in Zimbabwe's 10 provinces, probably due to the diverse socio-economic statuses of the provinces. The nation's Housing policy and the Co-operative Act (2001) were concisely explained because it provides a legal framework within which housing co-operatives are accommodated.



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CHAPTER 4

RESEARCH METHODOLOGY

4.1 Introduction

The purpose of the study was to assess the extent to which housing co-operatives are viable agents of shelter provision to low income groups. This chapter describes the methodology, research design, methods of data collection and the method of data analysis used for this study.

4.2 Methodology

This study adopted a qualitative research methodology. According to Creswell (2009) a qualitative research provides a rich source of information leading to theories, patterns or policies which will help to explain and inform the phenomenon under study. Qualitative research is also a means of understanding social reality, grounded in people's practical experiences. The reason for selecting a qualitative method for this study is that the topic needs to be explored flexibly with the main aim of accessing specific information to make valid findings. This study was carried out in Bulawayo which is the second largest province in Zimbabwe with the highest urban housing deficit. In an endeavour to explore the performance of housing co-operatives as an alternative mechanism to solving housing shortages for the low income groups a housing co-operative in Bulawayo was studied.

4.3 Research Design

For this research, a case study research design was selected and data was collected from a single housing co-operative. Research design is a plan that guides the investigation during data collection, analysis and interpretation of findings made. Leedy (2009) asserts that a research design is a total plan showing how research data is gathered.

Yin (2009) explains that a case study is an empirical enquiry that investigates a contemporary phenomenon within its real life context. Creswell (2009) complements the same view that a case study is a form of qualitative research in which a researcher explores a single entity or phenomenon bounded by time and activity such as an institution, and collects detailed information by using a variety of data collection procedures during a sustained period of time. Therefore, the researcher chose a case study of Emganwini Housing Co-operative in order to shed light on the viability of housing co-operatives potential to provide shelter for low income groups. The case study allowed the researcher to probe and to analyse the challenges faced by the co-operative and possible solutions. The case study was of significance in this study because it enabled the focus of an individual case which can be examined in more detail.

Taking into consideration that a single case study emphasises analysis of depth, the reason for focusing on a single case study was to obtain detailed information on the members' views and opinions about the way the co-operative operates, allowing the researcher to explore factors influencing the co-operatives viability. The use of a case

study also allowed multiple sources and methods of investigation to be used, which assisted in validating the findings.

4.4 Sample

The population of the study was all the members of Emganwini housing co-operative. The list of names of the members was used as the sampling frame for the purpose of choosing the sample for the study. The study utilised two sets of samples, 11 executive committee members and 80 non-executive members of the housing co-operative. In total the sample size used for the data collection was 91. A sample is a representative portion of the population which is selected for a study (Burns and Burns, 2008). The research population for this specific study were members of Emganwini Housing co-operative. For the study research, the primary units of analysis were members of one housing co-operative. The units of analysis are the practical objects that are observed to draw an explanation (Babbie, 2009). As units of analysis include organisations and their roles, it entails that the co-operative and its members fitted well to be observed as units of analysis.

The choice of using this particular housing co-operative was based on a preliminary selection assessment done by the researcher. The reason for selection was supported by the realisation that among the 41 registered housing co-operatives in Bulawayo, Emganwini housing co-operative, appeared to be fairly well established in terms of the period of existence with 5 to 6 years since establishment. Other housing co-operatives in Bulawayo province had since become dormant, despite the fact that they had been registered with the responsible Ministry of Small and Medium Enterprises and

Co-operative Development (SMECD). Apart from that, some of the registered co-operatives had since changed their initial physical addresses and contact details hence they proved to be entirely inaccessible. Emganwini housing co-operative was an ideal case because it had a substantial size of membership, whereas for other housing co-operatives in Bulawayo, their membership was minimum to as little as ten. In quantitative terms Emganwini housing co-operative was in essence suitable in providing a quality initial basis for in-depth understanding of the study in question.

4.4.1 Sampling Method

Simple random sampling was used to select participants. The researcher was given the opportunity to choose a sample of the study during one of the co-operatives regular monthly meetings. Members present were requested to write their names on a list. From the list of attendance each member was assigned a number. The total numbers were put in a small bag and shuffled repeatedly, one of the research assistants then (picked) selected 80 numbers from the bag. Members who had their numbers chosen were then requested to be included in the sample. Simple random technique was useful in that each member of the population had the same chance of being included in the sample Huysamen (2001). The sample was also a representative of all the members of the housing co-operative.

4.4.2 Sample Size

The study involved collecting data from a total sample size of 91 members of the co-operative, 11 of which are executive management members of the co-operative and 80 are non-executive members. A sample size of 91 was regarded as adequate for inferences to be made about the entire population of the housing co-operative

considering that the co-operative had a membership of 500 people. Eleven (11) executive members of the co-operative were interviewed and to the eighty (80) non-executive members only questionnaires were administered.

4.5 Data Collection

Multiple sources of data were used for the study; the main methods of data collection used were semi-structured questionnaires and in-depth interviews, complemented by secondary documents and archival records. Yin (2009) deems that the use of multiple sources of data ensures validity of the research in that the findings from the case study can be supported by more sources of evidence such that evidence converges to support a certain conclusion.

Two research assistants were engaged in data collection purposes and prior training of the use of the interview guide was conducted. Selection of the research assistants was based on the fact they are both residing in Bulawayo and are familiar with the process of data collection and were familiar the local language as well. A preliminary study was carried out in order to test the feasibility of research instruments, in this case, a questionnaire and the interview schedule. With assistance from a local Ndebele language poet, the interview schedule and questionnaires were translated to the local majority language for easier comprehension by respondents. Appendix 2 and 4 is a sample of the translated interview schedule and questionnaire.

4.5.1 In-depth Interviews

In-depth interviews were held with the key informants who are the co-operatives' executive management members. Initially a pilot study was conducted to test the appropriateness of the interview schedule. In-depth interviews require insights and

explorations to be made, there is flexibility in asking the questions, allowing the interviewee to explore additional points. The interview schedule consisted of a set of closed-ended and open-ended questions that were directed to the respondents by the interviewer. For the preliminary study two committee members of the co-operative were interviewed.

For the full scale study, the researcher identified eleven interviewees for the in-depth interviews. Hague (2004) suggests that as few as ten (10) depth interviews can be sufficient and more would almost certainly draw out the issue pertaining to the research topic. The interview was conducted using an interview guide and schedule. These were carried out face to face so that a rapport could be created between the respondent and the researcher. Due to their flexible nature, in-depth interviews allowed the respondents to comment on the questions posed and permit interviewees to elaborate as noted by Barbour (2008). The key informants who were the housing co-operatives committee members were interviewed on an individual basis. The researcher made appointments with interviewees for a preferred date and specific time schedules.

4.5.2 Questionnaires

Since information was to be collected directly from the members of the co-operative, a questionnaire seemed to be most convenient instrument of data collection. Non-executive members of the co-operative were consulted through the use of semi-structured questionnaires. 80 respondents were targeted and an equivalent 80 questionnaires were prepared. Three months prior to the actual data collection process, the researcher with the aid of one research assistant conducted a pilot study in January 2011. A total of ten voluntary members of the housing co-operative were engaged in the

preliminary study. A pre-tested questionnaire consisting of both open and closed ended questions was utilised to collect data. The pilot study was used to test validity and reliability of the questionnaire and the credibility of the interview guide as research instruments. Leedy (2009) reasons that instruments of research need to be tested for their validity before they can be employed in the full scale study. Validity establishes whether the interview schedule and questionnaire are really measuring that which they are supposed to measure, in this case the instruments were used to measure the viability of the housing co-operatives and bring into light the challenges the housing co-operative is experiencing and the possible solutions.

The pilot study also helped to develop and design the final questionnaire. Pre-testing the questionnaire allowed the researcher to check the clarity, suitability and quality of questions and whether participants could comprehend the questions. Specific details such as language and phraseology, practicality of the interview, ease of answering questions by respondents and the length of the interview were also tested during the pilot study. After the pilot study, the researcher made amendments to the questionnaires, which involved re-wording and rescaling some questions. The length of administering the questionnaire for the actual data collection was then reduced to a reasonable time frame of 15 minutes. As a way of gaining compliance from the co-operative members, the Chairman of the co-operative and the researcher resolved that before administering the questionnaires the researcher attends the co-operatives' monthly general meeting. This was a platform used to explain to the members of the co-operative the purpose and the objectives of the study.

After conducting a pilot study, the questionnaire was redesigned for the full scale data collection, a set of questions with fixed wording sequence of presentation as well as clear-cut indication of how to answer each question was established. The questionnaire was presented to each of the 80 respondents in precisely the same manner. For the actual full scale data collection, two research assistants were engaged. The questionnaire was administered personally to give an opportunity to establish rapport and to explain to the members of the co-operative the purpose of the study, clarifying meanings and interpretations. Self-administering ensured that all items in the questionnaire were considered and respondents did not omit questions as they would likely do if they could not understand the interpretation of questions. In instances where the respondent preferred using the native Ndebele language, a translated questionnaire was used. Although the questionnaire had disadvantages associated with anonymity, time and cost, they were useful in capturing critical and statistical data for this particular case study. The period of time taken to conduct the whole data collection was eight weeks, the process began from 18 April and was finalised on the 25 May 2011.

4.6 Data Analysis

Collected data was analysed through the use of Statistical Packages for Social Scientists (SPSS). Data analysis entails the process of bringing order, structure and meaning to the mass of collected data (De Vòs *et al*, 2005). Leedy (2009), states that the central task during data analysis is to identify common themes in people's descriptions of their experiences, in order to ultimately provide a general description of the phenomenon as seen through the practice and understanding of members of the co-operative. Large volumes of information were captured which required an analysis of

the interviews and questionnaires obtained by the researcher and research assistants. Analysis involved a process of coding and encoding of data. Coding the data involved breaking down the information into units of analysis and then categorising the units (Sarantakos, 2007). The data from the questionnaires was entered into Excel and the exported to SPSS for analysis. An analysis of secondary data was carried out so as to obtain information on how the co-operative has been operating since inception up to date. Reports and documents containing information on co-operatives were analysed so as to help access information on the operational process of the co-operative.

4.7 Ethical Considerations

The researcher ensured that ethical guidelines were employed prior and during the process of data collection as recommended by the University of Fort Hare. The researcher made sure that the research study was not sensitive or harmful to the welfare of humans participating in this study. De Vos *et al* (2005) consider the application of ethics to social science research as of utmost importance to which researchers must constantly adhere to.

Initially the researcher sought permission to conduct the research from the responsible Ministry of Small and Medium Enterprises and Co-operative Development (SMECD) to engage one of its registered co-operatives in the study. Authority to access information from the Bulawayo city council was also sought, in May 2011 an initial verbal consent to conduct the research was given. Official documentation to confirm authorisation signed by the city council's town clerk was issued in July 2011. Attached as Appendix 7 of this dissertation is a copy of the letter of authorisation from the Bulawayo city council.

Subsequently, the Chairperson and the Secretary of Emganwini housing co-operative were consulted. In this regard, the researcher produced a reference letter from the University to certify that the research was authentic and was solely for executing academic purposes, see appendix 5.

In order to avoid the use of deception, the researcher gave members of the housing co-operative a detailed explanation of the purpose and nature of the study. The participants were informed of their rights to privacy, anonymity, confidentiality, voluntary participation without the use of any material or monetary incentives, the right to withdraw from the study and the right to receive feedback on the outcome of the research. The respondents were not required to indicate their names or any form of identity, this ensured confidentiality and anonymity. Respondent's willingness and approval to be involved in the study was substantiated by the participants signing the consent forms. A Sample of the consent form is attached as appendix 6 of this dissertation.

4.8 Conclusion

In conclusion this research study employed a qualitative research methodology which assisted in conceptualising issues pertaining to the housing co-operatives and its problems. A case study design approach was adopted for the purpose of the study. Questionnaires and interviews were used as tools to collect data for this study. Sampling of members of the co-operative was carried out using simple random sampling technique. Lastly the research ethics which the researcher employed were outlined. The following chapter will discuss and present the findings from the field work conducted.

CHAPTER 5

PRESENTATION AND DISCUSSION OF FINDINGS

5.1 Introduction

This chapter gives an overview of the results obtained for this case study, it begins with a summary of the descriptive statistics. The analysis process was executed using the Statistical Package for Social Scientists (SPSS) software. The main purpose of the questionnaire was to present co-operative members' opinion with regards to specific research questions. There was a link between data obtained from the questionnaire and data from the interview in that respondents selected for the interview are also members of the co-operative who also form part of the executive committee. The interviews were conducted to gather in-depth perspectives of co-operatives and practical understanding of its operations. Particularly in relation to housing provision as well as gather more in-depth empirical evidence of the experiences and challenges of the co-operative as an agent of housing provision in its current context.

Based on previously mentioned literature on experiences of other co-operatives, the assumption is that co-operative principles are key elements of a co-operatives' success. The major variables were, therefore, effective participation, education and training of members, management of the co-operative, the application of co-operative principles, the autonomy of the co-operative, its achievements and challenges.

5.2 Socio-economic Characteristics of the Study Population

This section presents the descriptive statistics of the study sample.

Emganwini Housing co-operative comprises of 500 members who reside in various residential areas around the urban province of Bulawayo. The detailed questionnaire and interview schedule are attached in Appendix 1 and 3 respectively. The questionnaires were administered to 80 members of the housing co-operative. Interviews were conducted with 11 members of the co-operative's executive committee. The interview data was obtained so as to gather more in-depth empirical knowledge about the co-operative and its operations. The study captured the socio-economic characteristics of the respondents which included age, literacy or education status, marital status income and employment. These factors contribute to the perception of the co-operative members in one way or the other. For instance in understanding the manner in which they perceive the essence of some co-operative principles, achievements, challenges of the co-operative and the respondents' suggestions for improvement of the housing co-operative.

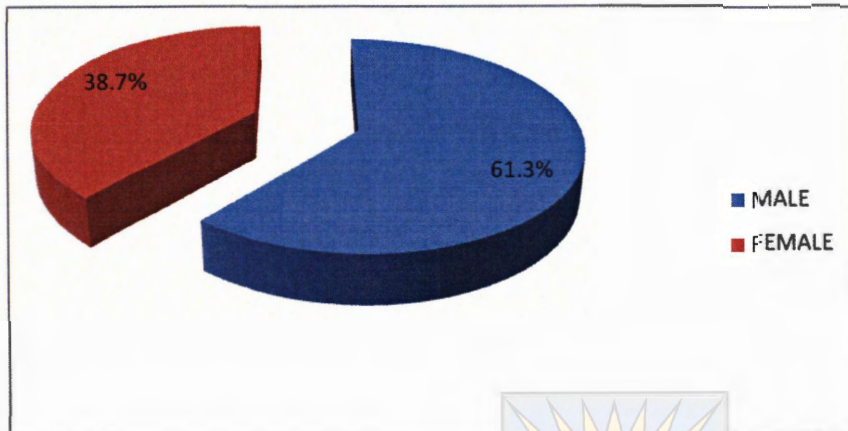
5.2.1 Gender Distribution

The demography in this study was important in understanding and analysing the general constituency of the co-operative which will in turn assist in deducing the composition of the housing market. As shown in figure 6.1 the respondents of this study consisted of 80 members of the housing co-operative. Of the 80 respondents, 61.3% were male and 38.7% were female. The gender variation within this particular housing co-operative implies that women seem to be less represented. These findings are rather

contrary to existing literature by Mubvami and Kamete (2001) and Rust (2001) which suggests that women are the dominant gender in co-operatives especially if they are community based. Lemma (2008) assumes the composition of women in a co-operative depends on the type of co-operative, arguing that for most savings and credit co-operative societies, community-based and healthcare co-operatives there is a large proportion of women. Whereas Majurin (2010) argues that in agricultural co-operatives, the percentage of women membership is relatively low. The gender disparity of co-operatives may, therefore vary, depending on its form and context.

The gender composition of Emganwini could imply that the women's integration in the co-operative is limited hence their male counter-parts constitute as the majority within the co-operative. It could appear that in an African context the responsibility to acquire a house is still borne mostly by males. On the other hand the Emganwini's housing co-operatives' by-laws states that, in the case of married couples membership, only one spouse may be admitted as a member. One may therefore assume that it is the husband who may take the liberty of membership into the co-operative, which explains the large number of male representation in the co-operative. However the less representation of women is not an indication that they are not active participants of the housing co-operative.

Figure 5. 1: Gender Distribution of Respondents in the sample



Source: Field Study, May 2011

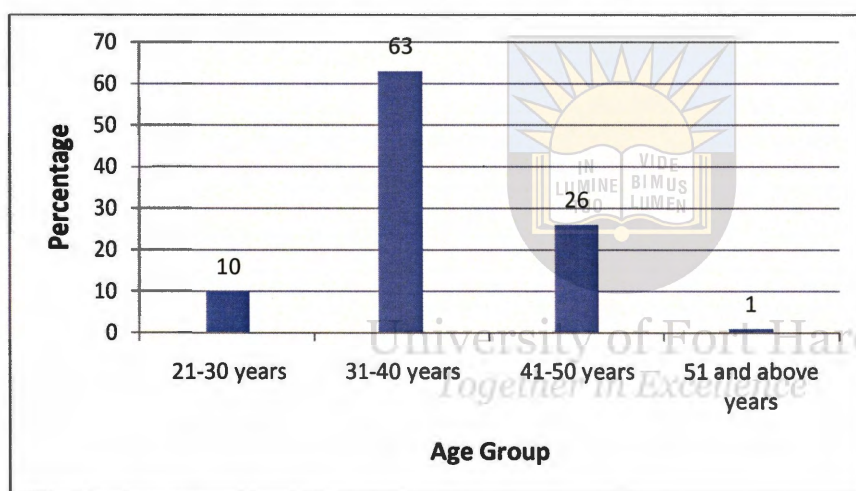
5.2.2 Age Distribution

With reference to figure 6.2 below most of the respondents' ages of most members of the co-operative ranged between ages 31 to 40 years, with 63% of all the members. This is an indication that most people in this age group are most likely not house owners and fall in the category of those in demand of housing hence the need to join a housing co-operative. From ages 41 to 50 years, 26% were members of the co-operative. Only 10% of the respondents belonged to the 21 to 30 age group. The co-operative has fewer people from the 21 to 30 age group because, according to the housing co-operatives by-laws one can only be a member of a co-operative once they have reached the age of 18 years. The by-laws however do not have a limit as to the maximum age one has to be not to be a member of the co-operative.

A small proportion of 1% indicated that they belonged to the age group of 51 years and above. This implies that older people above the age of 50 years are already home owners as compared to the younger ages. Mubvami and Kamete (2001) suggest that

older people especially those above 60 years are not members of housing co-operatives not necessarily to say that they are homeowners , but because they have probably given up hope of ever owning houses. However findings from the study confirm that older people were simply less interested in joining housing co-operatives because once they have reached retirement age, they re-locate to their rural homes.

Figure 5. 2: Distribution of Respondents' Age



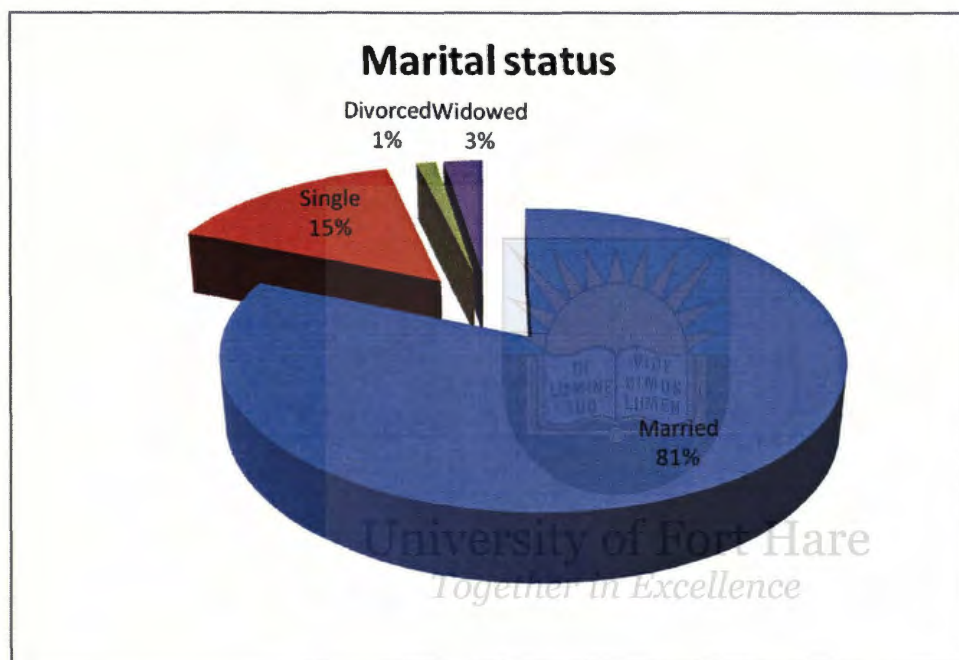
Source: Field Study, May 2011

5.2.3 Marital Status of Respondents

The marital status of the respondents is shown in figure 6.3, most of members of the co-operative were married which is revealed by the 81%, whilst 15 % were single and 1 % was divorced and the remaining 2.50% were widowed. Married couples need houses mostly to provide descent accommodation for their families, and this ensures some form of stability. Home ownership may mostly be a priority to married couples because as previously mentioned by literature, a house is more than just shelter for a family unit but

it is a commodity and an investment. Having a house for married couples also offers tenure security for the family.

Figure 5. 3: Distribution of Membership by Marital Status



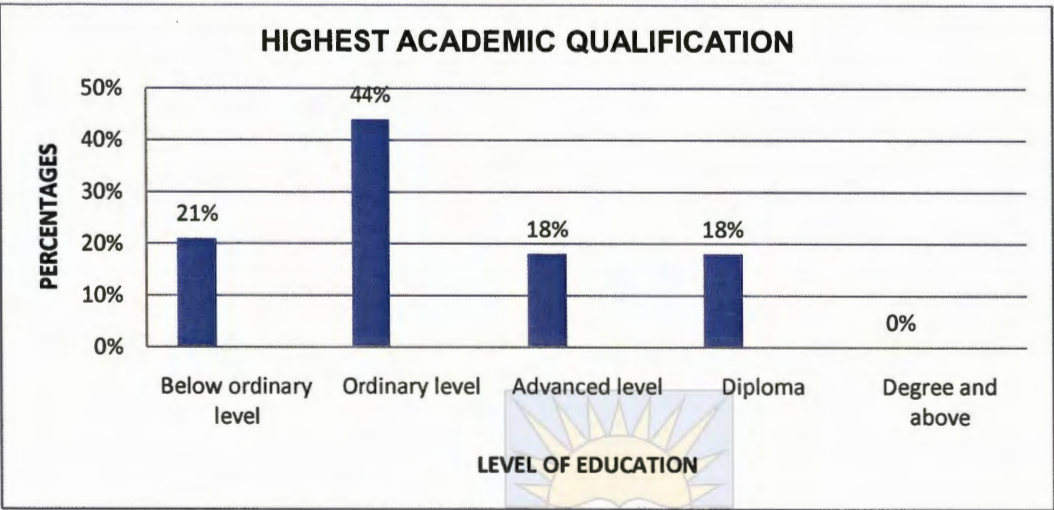
Source: Field Study, May 2011

5.2.4 Education and Literacy levels

As reflected by the findings the level of education in the co-operative was relatively high where more than half the sample managed to reach ordinary level as their highest educational qualification with some extending up to advanced and diploma level. Analysing the educational level it is possible to infer that respondents were generally literate with the majority 78.7% having attained secondary ordinary with only 21.3% who had below ordinary level education, as indicated in figure 6.4 below. The co-operative members average level of education has implications on a co-operatives viability. Since co-operatives are self-administered by its members, it may be imperative for members

to have some basic from of education. Literature on Human Capital Development theories claim that investing in an individual's human capital such as in formal education, increases one's chance of being productive or industrious and reduces their chances of them being vulnerable in future (Hong and Pandey, 2007). To that extent, it is possible to ascertain that without adequate basic education and training programmes, the housing co-operative may be susceptible to failure. A co-operative is administered by its members, hence some level of education may be essential to assist co-operative members to participate in the co-operatives operations and to manage their functions. Minimal levels of education on the part of management would imply that they may encounter difficulties in carrying out their executive duties and hence non-viability of the co-operative. It is somehow commendable that the majority of members are literate because more than three quarters of the respondents indicated that they have reached the basic level of education which is ordinary level. This therefore all forms a basis within which members can make informed decisions since they are part of the decision-making body.

Figure 5. 4: Distribution of Respondents' Education Levels



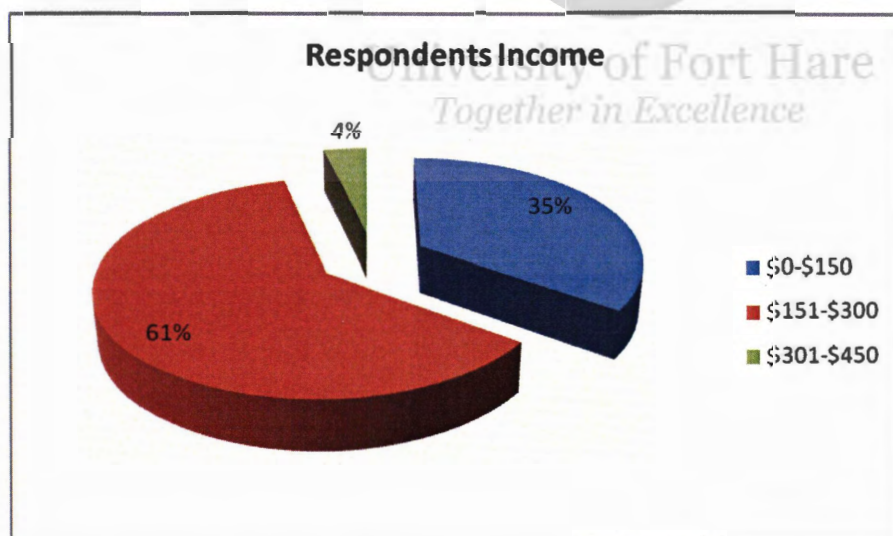
Source: Field Study, May 2011

5.2.5 Income

Zimbabwe's minimum food basket for a low income urban family of six is currently at a basic USD \$ 500 per month (CCZ, 2011). Rust (2000) suggests that members of a community based co-operative as in this case, should be in the same income bracket to ensure that there is homogeneity of standards and values within the co-operative. Case study results in figure 6.5 below reflect that the housing co-operative is characterised of low income earners where 61 % earn \$ 151 to \$ 300 a month, 35% earn \$150 or less and only 4% get between \$301 to \$ 450. The low income earners face a predicament of inadequate finances and this is further precipitated by the expensive cost of housing. The average cost of a standard house in Zimbabwe's high density area is ranging from \$ 30 000 to \$50 000 (Herald, 2011). It is apparent that given these prices, a low income earners' prospect of purchasing a house is uncertain given one's average monthly salary.

Most members of the housing co-operative fall within the low income bracket. This affirms Mashumba (2002) and Birchall (2003) who maintain that housing co-operatives are a strategy by low income earners to pool resources so as to acquire shelter, and are not for the economically poor who have meager income to contribute. Given that the housing co-operative is mostly reliant on income from members for capital, it is difficult to comprehend how the co-operative can sustain itself financially because most of the members are in the low income bracket. The co-operative's future financial position is uncertain and it is difficult for financial plans to be made. In that regard lack of financial management may eventually render the co-operative less viable.

Figure 5. 5: Distribution of Respondents' Income



Source: Field study, May 2011

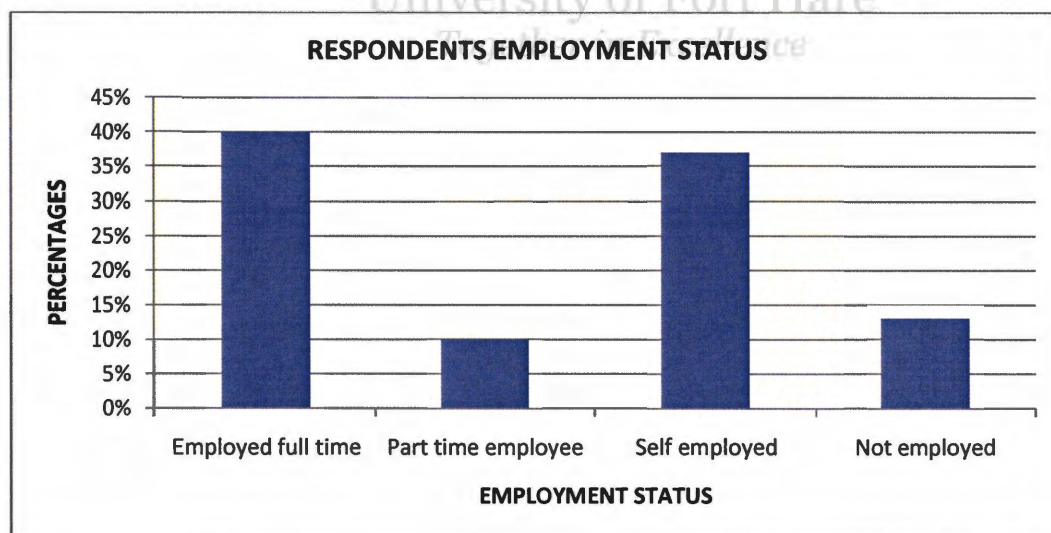
5.2.6 Employment Status of Respondents

As shown in figure 6.6, 40% of the respondents are employed full time, 37.5% are self-employed, whereas 10% are employed on a part time basis and the rest, 12.5% are

unemployed. Analysing the employment situation of co-operative members it is evident that the co-operative consists of the formally employed which includes civil servants in the police force and various government departments and the informally employed include those in vending, cross boarder traders and flee market stall retailers. A relatively large number of the informally employed may have been precipitated by the nature of the economy in Zimbabwe's recent years in which most people earn a living in the informal sector. Since the year 2000, Zimbabwe's unemployment rate has increased, it is currently estimated to be 80% (United Nations, 2009). This was due to the shrinking of the agricultural and manufacturing sectors, high rates of inflation worsened the economic situation.



Figure 5. 6: Distribution of Respondents' Employment Status:



Source: Field Study, May 2011

Given that a large number of members are either employed or self-employed the expectation is that members are capable of raising funds towards constructing their houses. However, as mentioned above, members' incomes are insufficient to even form

a concrete financial resource base because their type of employment awards them meager salaries. The housing co-operative is currently relying on members' contributions as an economic base. There is no form of external support being given to the housing co-operative at the present time. Financial institutions are still under turmoil due to liquidity problems hence the limited mortgage lending (Makina, 2009)

5.3 Co-operative principles determining the co-operatives viability

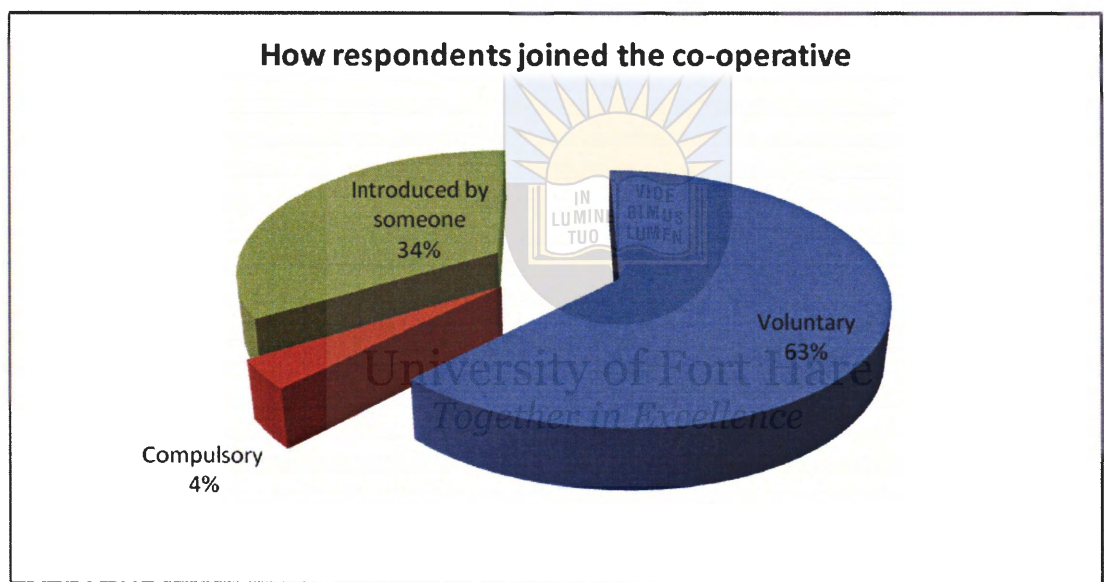
5.3.1 Voluntary Membership

As indicated in figure 6.7, 63% of the respondents stated that they joined the co-operative on a voluntary basis, 34% indicated that they were introduced by someone. A small proportion of 4% expressed that it was compulsory that they join the co-operative. A greater proportion of findings are consistent with one of the co-operative principles which states that co-operatives should have voluntary and open membership, meaning that prospective members are at free will to join without being coerced. However, some members felt pressured into joining the housing co-operative.

Taking into consideration that it takes a long period of time for an individual to access a stand from Bulawayo's city council, it was easier and swifter for a co-operative to access housing land from the city's council. Furthermore, it became more of an obligation for one to join a co-operative when they did not meet the requirements to be on the city councils' housing waiting list. Interview respondents also highlighted that initial membership of the co-operative constituted of people from their various social circles including church and their work places. However, this is not to suggest that this was a determinant for co-operative membership. A pre-condition to being a member of

the co-operative is the capability to pay joining fee and the subsequent monthly subscription payments. This would mean that the poor and those who do not have money for joining fee or for paying subscriptions are categorically excluded from being members of the co-operative.

Figure 5. 7: How Respondents Joined the Co-operative



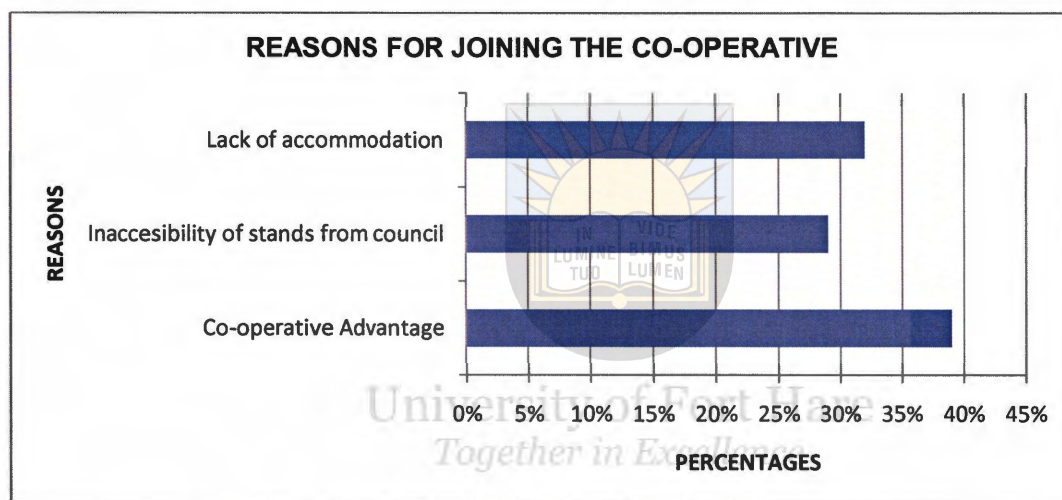
Source: Field study, May 2011

Reasons for joining the co-operative

As indicated in figure 6.8 below, a total of 29% of the respondents indicated that the principal reason for joining the co-operative was because they either failed to access housing stands from council or that it took a longer time than anticipated hence the inclination to join a housing co-operative. 32% assumed that the rationale behind joining a co-operative was due to the co-operative advantage. The majority of the respondents, 39% considered that lack of accommodation was the main factor that compelled them to

belong to a housing co-operative. The financial constraints that characterise the situation in Zimbabwe has seen an unaffordability of houses in the market and unavailability of home loans a decrease in the construction rate of houses in the urban areas consequently leading to exacerbated housing cost and demand.

Figure 5. 8: Respondents Reasons for Joining the Co-operative



Source: Field Study, May 2011

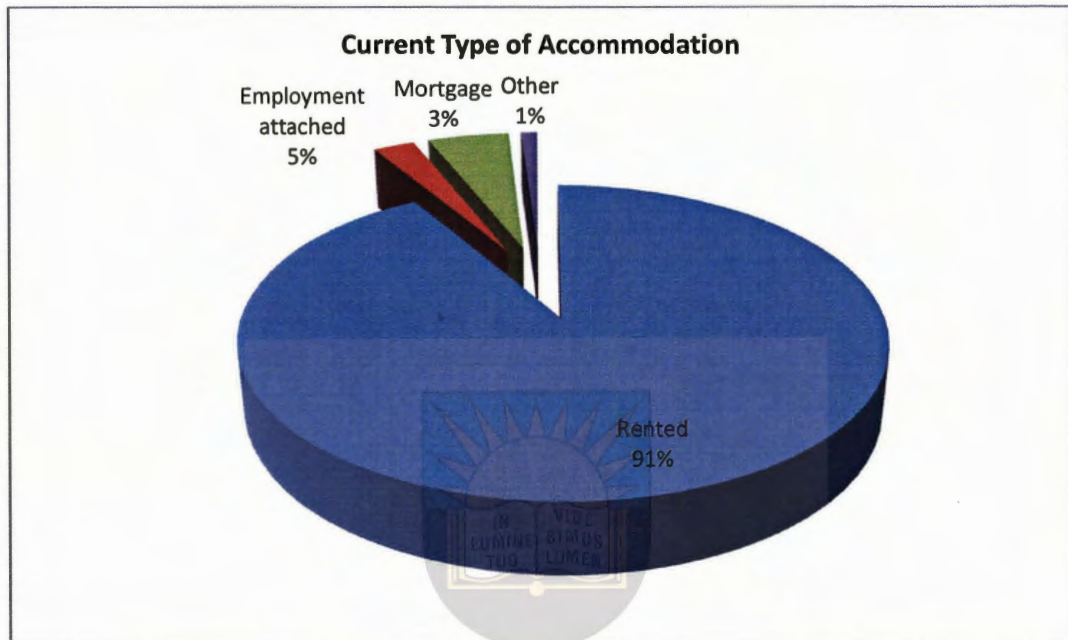
Type of accommodation

In figure 6.9, the results show that 91% are currently residing in rented accommodation as tenants, such as in somebody else's house in which the residence is usually leased property. Five percent responded that their accommodation was employment attached, with 3% claiming that the houses they lived in were under a mortgage scheme. Whereas 1% had other types of accommodation such as staying with friends and relatives. Given these findings, one can therefore deduce that the problem is not necessarily that co-operative members do not have houses to stay in but may have the need to shift from renting to acquiring their own houses. The financial cost of renting

houses may probably be too huge to bear hence the desire to own houses. These findings are consistent with Chaeruka and Munzwa (2009) who observed that the rental property market is thriving in Zimbabwe although the general preference among Zimbabweans is for ownership. The rental market has become very popular in the country's urban areas largely owing to a huge influx of rural to urban migrants.

The findings also indicate none of the members have a house from the co-operative yet, despite the fact that the co-operative has been in existence for more than five years. This may imply that for the co-operative members, home ownership is not yet feasible and may not be an immediate priority issue, there may be other prevailing circumstances that have delayed construction. UN-Habitat (2005) states that many urban residents in developing country cities are tenants because there are much expenditures that compete with housing need such as education, health and entrepreneurship projects. As such households may temporarily forego the need to own a house so as to cater for other issues that demand use of their finances.

Figure 5. 9: Respondents Types of Accommodation



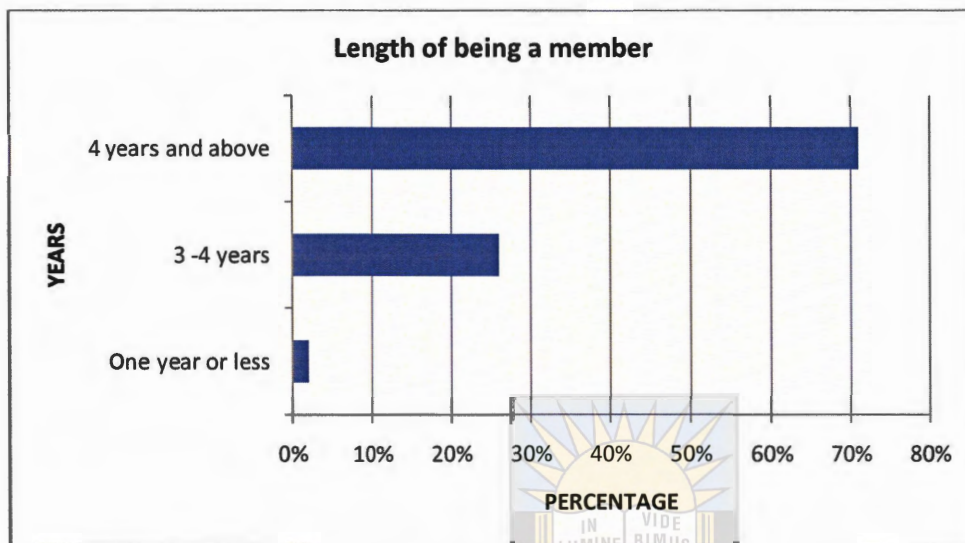
Source: Field Case Study, May 2011

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Length of Membership in the Housing Co-operative

Taking into consideration that the co-operative was established in 2005 the length of existence of the co-operative is, therefore, 6 years. As shown below in figure 6.10, 71% of the respondents have been in the co-operative for more that 4 years, 27% of the members have been members from between 3 to 4 years. Only 2% indicated that they had been members of the co-operative for one year or lesser. Insights gained from the respondents put across that the majority of the current members are apparently the founder members of the housing co-operative.

Figure 5. 10: Length of Membership in the Housing Co-operative



Source: Field Case Study, May 2011

Given that most members have been in the co-operative for more than four years. This poses a question as to why the co-operative has not managed to construct houses for its members. It has taken a rather long period of time for members to have their own co-operative houses suggesting that there are elements that are causing the apparent delay in construction of houses. The lack of expedience thereof presents a state of non-viability on the part of the housing co-operative. On the other hand one may not disqualify the possibility that there are other salient issues that have caused a delay in housing delivery beyond the control of the co-operative. For instance, during the interviews, respondents indicated that the housing co-operative did not anticipate a national downfall of the economy which resulted in an escalation of prices in construction materials

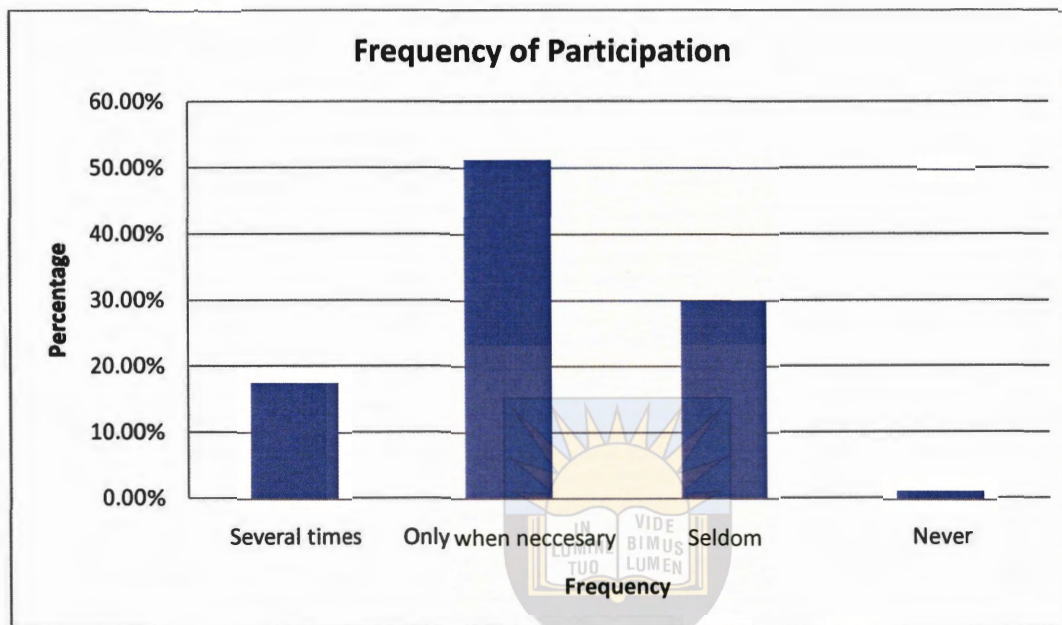
5.3.2 Participation

Democratic participation is a vital aspect for the development and viability of any co-operative society where decision-making occurs through majority consensus. Members must be involved in the co-operatives' operations and actively participate in the general and special assemblies. There is a high and regular participation of members in co-operatives' work, in general body meetings concerning buying and selling of goods and services and in day to day management. Members each have a share in the co-operative, each member has the right to voice their opinions in the decision-making process of the co-operative. Members are entitled to vote as well as a way of expressing the democratic characteristic of a co-operative.

The importance of communication and participation within the co-operative was shown by the relatively high response rate of 68.8% of respondents confirming their involvement in decision-making. These responses emphasise the principle that membership participation and democracy is an important aspect of a co-operative in order for it to function effectively. Figure 6.11 below shows that 17.5% of respondents participated frequently, with 51.3% demonstrating that they only contributed when it was necessary. A sizeable percentage of 30% of respondents reflected that they infrequently participated in meetings with 1.3% indicating that they never participate in meetings.

Chikwanha (2005) mentions that issues such as difference in status, power, authority and economics have an effect of determining who will participate in a co-operative. For instance when a member of a co-operative has a low socio-economic status, their level of participation in a co-operative becomes relatively low. This explains the variance in the level of participation by co-operative members.

Figure 5. 11: Frequency of Participation



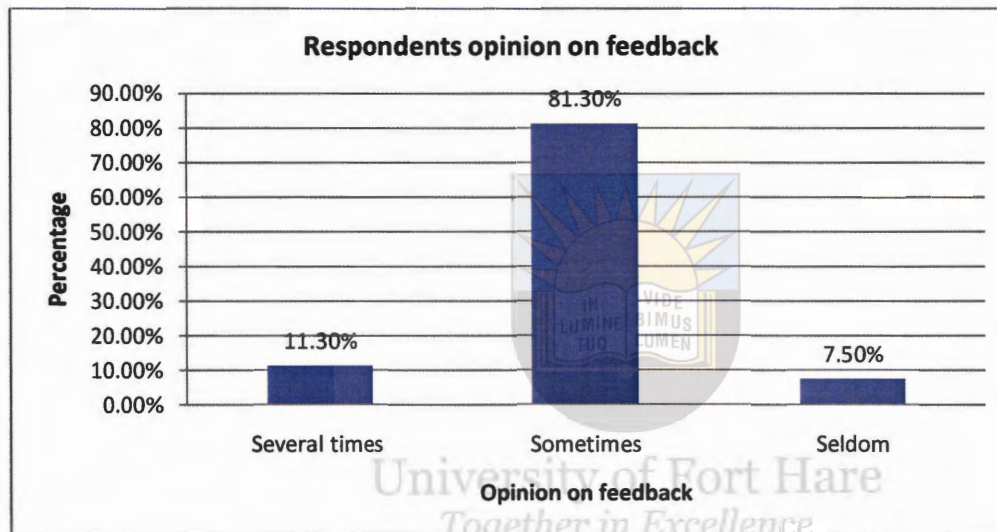
Source: Field Study, May 2011

Receiving Feedback

In regard to receiving feedback, figure 6.12 shows that a total of 81.3% felt that issues raised in meetings sometimes received attention and were being met by the leaders giving feedback and 11.3% indicated that often times feedback was received. While 7.5% of the respondents indicated that they were not getting any feedback implying that maybe their issues were not being given direct attention. In order to adhere to one of its principles, the leadership of the co-operative has a mandate of ensuring that their relationship with ordinary members of the co-operative is always supported by frequent exchange of information and timely feedback. Develtere and Pollet (2008) recommend that a prerequisite to the success of any co-operative is the maintenance of a good rapport with frequent contacts and interactions among and between members and

management. Maintaining communication lines between the executive committee and members is also a mechanism of ensuring democracy within the co-operative.

Figure 5. 12: Respondents Perception on Receiving Feedback



Source: Field Study, May 2011

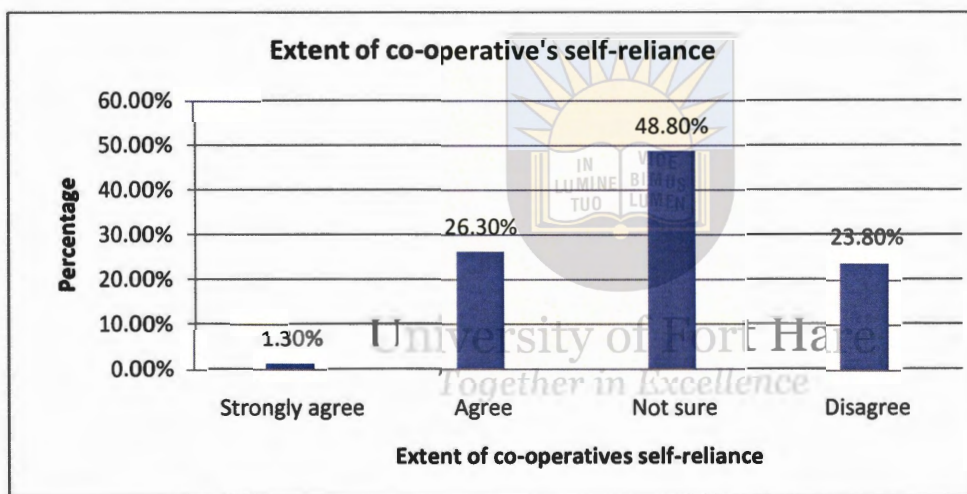
5.3.3 Independence and Autonomy

The autonomy of a housing co-operative means that it should be viewed as, “self-reliant and as a sovereign entity in its own capacity” (Birchall, 2003: 75). This further implies that the housing co-operative does not rely on any external agency for managing its affairs. Theron (2010) perceives that as long as a co-operatives practice voluntary membership and economic participation, this reflects that the co-operative exercises some degree of autonomy and self-independence.

Perceptions on the Independence and Autonomy of the Co-operative

As shown in figure 6.13 a small portion of 1.3% of the respondents strongly agreed that the co-operative was self-reliant, with 26.3% basically agreeing. The majority of the respondents, 48.8% were apparently not sure whether the co-operative was successful in being an independent co-operative society or not.

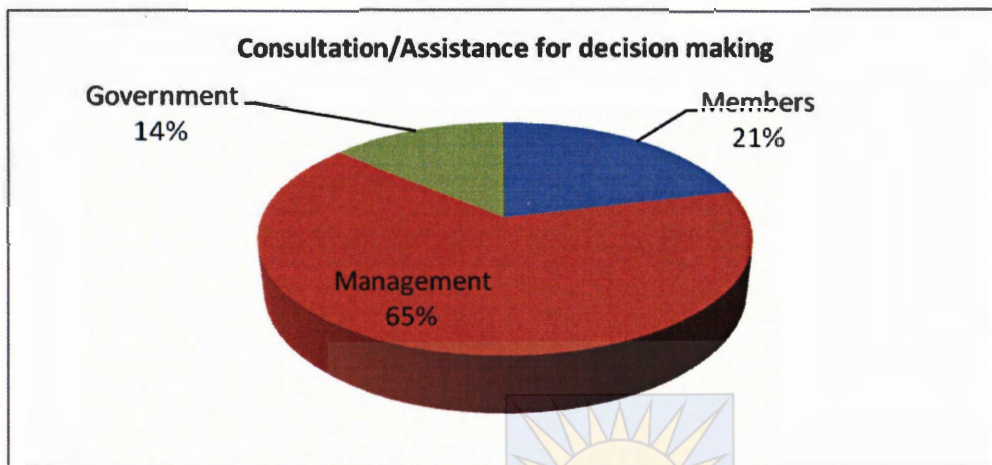
Figure 5. 13: Perceptions on the Co-operatives Self-reliance



Source: Field Study, May 2011

As indicated in figure 6.14, the majority 65% stated that the co-operatives management was responsible for consultation and making decisions, 21% assumed that consultation and assistance was from members, 14% of the respondents felt that the co-operative relied on government for consultation to get advice and make decisions. These findings complement the idea that co-operatives are to some extent autonomous societies.

Figure 5. 14: Perception where Consultation and Assistance is received



Source: Field Study, May 2011

5.3.4 Education, Training and Information

Human resource development such as training and education and training of leadership is essential for a co-operatives' viability as they contribute to knowledge acquired by members which they can use and apply in coming up with meaningful contributions and decision-making. Veerakumaran (2007) however noted that for most co-operatives there is lack of manpower planning, training and development.

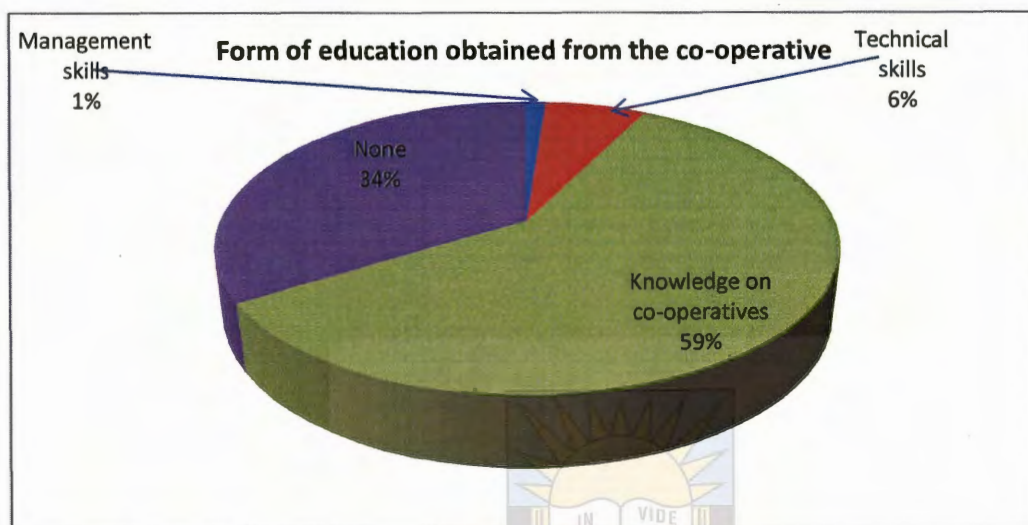
In the field study conducted, respondents indicated that at the co-operative received some form of education at the early stages of its inception. The type of education they obtained from the responsible Ministry of Youth Development only assisted them to develop their own constitutions to govern the co-operatives. There after the Ministry of Youth Development did not provide and form of training specific to the management of the co-operative. As much as education and training are essential principles for a co-operative, figure 6.15 indicates that only a few members of the co-operative had the opportunity to gain some form of education within the co-operative. Only 1 % of the

respondents stated that they have obtained management skills, with 6% having gained technical skills, however a majority 59% claimed to have only gained knowledge about co-operatives from the time they joined the co-operative society whereas 34% had totally not experienced any type of human resource development.

These findings are consistent with Chambo's (2009) analysis that in the African context education programmes given to co-operative members only inform members about co-operating but do not add any value towards human resource development. It is therefore, insufficient to expect a co-operative to be efficient without fully equipping the members on other technical and practical operating skills.

Equipping members with relevant education programmes will assist them to make rational decisions when confronted with a crisis and conflict in management. Training may cover aspects of business skills, accounting and investment skills. Efforts towards enhancing members' education on management and capacity building would ensure viability of the co-operative.

Figure 5. 15: Education Obtained from the Co-operative



Source: Field Study, May 2011

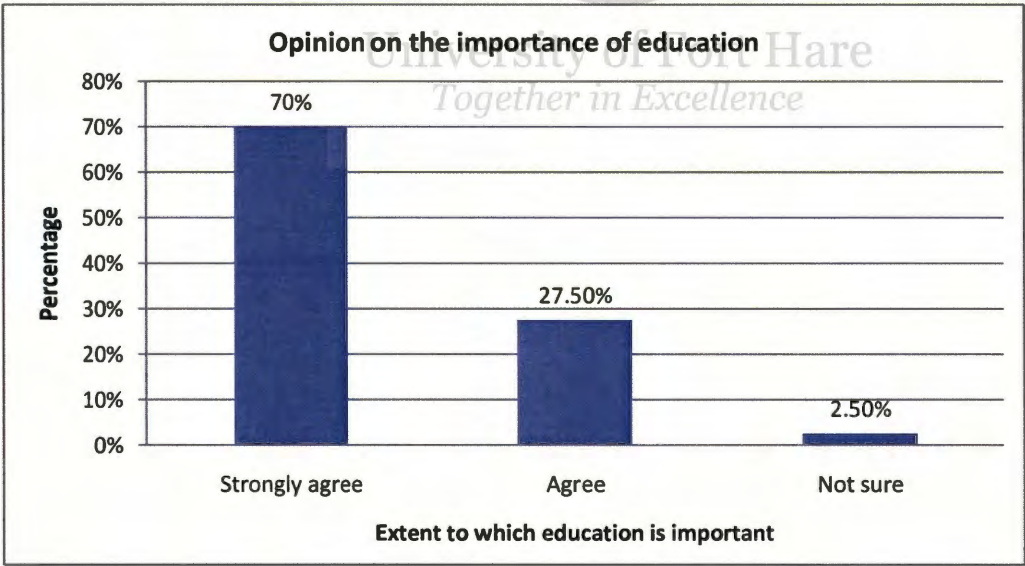
The limited educational and training initiatives by the co-operative would imply that little importance is attached to human resource development programmes by the housing co-operative membership.

Respondent's Opinion on the Importance of Education

As indicated in figure 6.15, the majority of respondents 70% strongly agreed with the opinion that education and training for members of the co-operative is an important facet of the housing co-operative, 27.5% moderately agreed, and 2.5% indicated to some degree that they were not sure. Findings show that more than half of the respondents acknowledge that education and training are essential for the housing co-operative. As mentioned by Kyaligonza (2010) education and training is the fundamental principle because it is the vehicle through which the co-operators realise the other six co-operative principles.

The question that arises is that, if education is regarded as being important, then why are the co-operative members not making an effort to conduct education and training programmes for members. The co-operative may be lacking initiative to access such training programmes. However, there are specific providers of co-operative education such as the Ministry of Small and Medium Enterprise and Co-operative Development (SMECD), the co-operative unions and apex co-operatives who seemingly are not instigating the provision of co-operative education to the co-operative. The incapacity of these organisations to provide education and training may typically be alluded to lack of funding to conduct the required workshops.

Figure 5. 16: Opinion on the Importance of Education



Source: Field Study, May 2011

These responses tend to reinforce the precept that education and training (in its various forms) is important in achieving common goals and to have a positive impact on conflict management and resolution. In the absence of this then it would also appear

reasonable that the co-operative would tend not to function effectively. Having mentioned that, the respondents also expressed their insight on how to enhance education and training of members of the co-operative.

As indicated in table 6.1 members were asked to come up with possible suggestions as to how education and training initiatives could be improved. Members' suggestions were centered on the following ideas; financing of workshops, offering training and education programs for members and inquiring from other housing co-operatives.

Table 5.1: Views on Improving Education

	Frequency	Percent	Cumulative Percent
Finance workshops	25	31.3	31.3
Training education programmes	37	46.3	77.5
Sharing ideas with co-operatives	18	22.5	100.0
Total	80	100.0	

Source: Field Study, May 2011

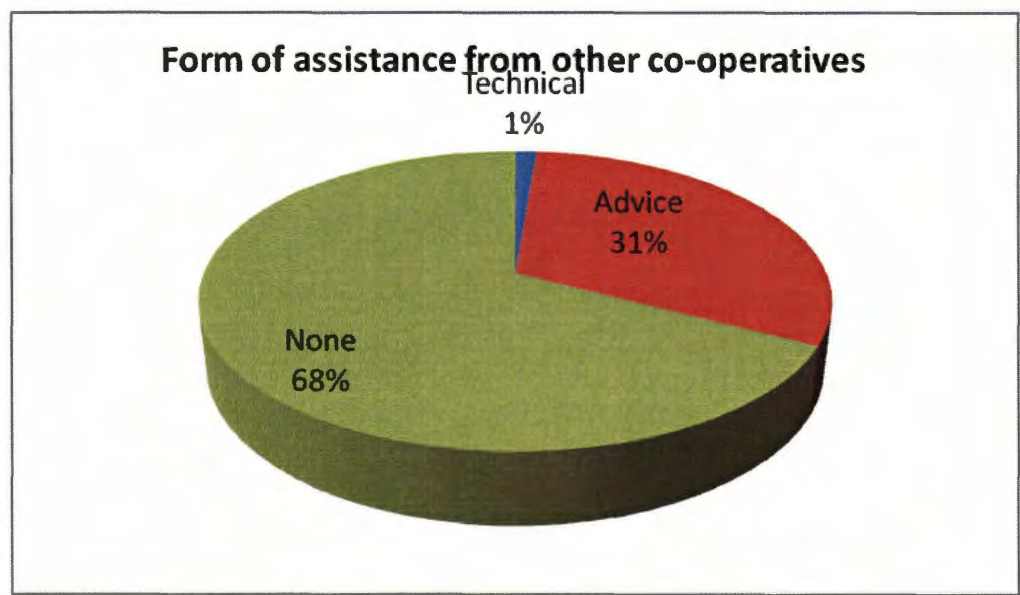
As has been indicated in Table 6.1 in theory it seems that members have ideas on how education and training initiatives can be achieved within the housing co-operative. The questions that then arise are why these ideas are not being put into practice since the co-operative has been in existence for five years. This may imply that the co-operative lacks capacity to implement their ideas on how to facilitate human resource development programmes. As was highlighted by some of the respondents during the course of conducting the research study, the housing co-operative members have

limited financial resources to pay for the much required workshops, seminars and training programmes.

5.3.5 Co-operating with Other Co-operatives

As is one of the seven principles of co-operatives, co-operatives are viewed as successful when they work together with other co-operatives in various sectors. In this case the apparent results reflect that Emganwini housing co-operative is not engaged with other co-operatives and not part of any apex body but only a few individuals did indicated that other co-operatives do give technical advice. Figure 6.17 indicates that 68% of the respondents state that the co-operative receives no assistance from other co-operatives, 31% perceived that other co-operatives provide advice, whereas a small proportion of 1% perceived that technical support is received from other co-operatives.

Figure 5. 17: Assistance Given by Other Co-operatives



Source: Field Study, May 2011

While the co-operative's engagement and liaison with other co-operatives is minimal, the majority of members, 66.3% perceive that engaging with other co-operatives will in fact be essential for the co-operative. As shown in table 6.2, a proportion of 22.5% respondents strongly agreed that it was important for the co-operative to collaborate with other organisations or co-operatives. Whereas 11.3% was not sure of the value of sharing of ideas with other co-operatives. Chambo (2009) asserts that for the African co-operative movement to succeed, there is need for co-operatives to integrate, that way they will not always rely on their governments for co-operative advice and resolutions.

The implication attached to Emganwini housing co-operative not being able to integrate with other housing co-operatives at either local or international level may be that the housing co-operative movement may not be prominent in Bulawayo. The expectation is that Emganwini housing co-operative would exist as an affiliate of Zimbabwe National Association of Housing Co-operatives (ZINACHO) but this appears not to be the case. A reason behind this is either the housing co-operative is not aware of the advantage of co-operating with other co-operatives or ZINACHO had not actively taken up the initiative to create awareness campaigns to accommodate more housing co-operatives. Although housing co-operatives are autonomous organisations, it is important to note that they do not exist in a vacuum, hence the need for them to integrate with other co-operatives.

Table 5. 2: Respondents Opinion on Co-operating with other Co-operatives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	18	22.5	22.5	22.5
	Agree	53	66.3	66.3	88.8
	Not sure	9	11.3	11.3	100.0
	Total	80	100.0	100.0	

Source: Field Study, May 2011

Assistance from Government

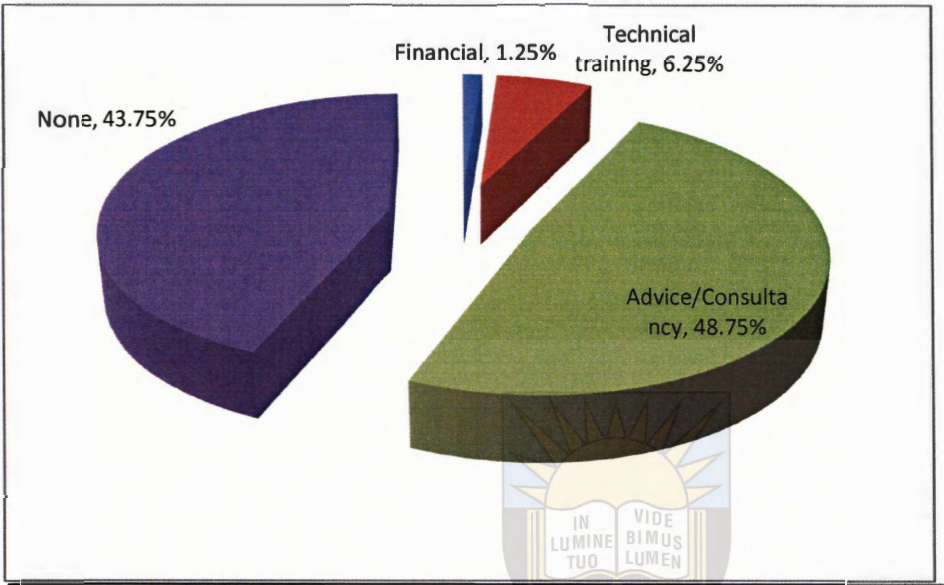
According to Fall (2008) and Theron (2008) the role of governments in co-operative development is to facilitate an appropriate institutional and legislative framework for co-operatives to operate in. The form of assistance that government gives was indicated in three categories which are in terms of financial, technical training and advice or consultancy. As shown in figure 6.18, 48.75% of respondent' opinion reflect that the type and nature of relationship between the housing co-operative and government is evidently based on the governments mandate of providing technical assistance and legal advice to co-operatives. A proportion of 43.75% stated that government provided no form of assistance, 6.25% indicates that government offers technical training and only 1.25% state that financial assistance is offered.

Findings imply that the role that government plays towards the co-operatives viability was somehow limited to providing advice to a co-operative. Such advice may be referring to the legislative information which the government is mandated to provide in terms of the Co-operative Societies Act 24:05. The provision of such services from government appears to be elusive when a large proportion of the members indicated

that they are not aware of any assistance that the government of Zimbabwe is giving towards the housing co-operative.

It is also noticeable from the findings that the government has little or no capacity to assist the co-operative financially as it may not be a mandate for government to fund co-operatives. From the findings, it is worth noting that government has given little technical training to the housing co-operative. In as much as government, through the Ministry of Small and Medium Enterprise and Co-operative Development is responsible for providing training programmes, very little has been done by the government in fulfilling this role. Citing Vakil (1994), Mashumba (2002) confirmed that the Zimbabwean governments' mandate to provide services in auditing, training, loan and survey to housing co-operatives is too broad for government to achieve. The inability to provide training programmes for co-operatives on the government's part is attributed to lack of resources and personnel to facilitate these programs (UNCHS, 2001). Lack of such training services towards members of the housing co-operative may compromise its viability.

Figure 5. 18: Forms of Assistance Received from Government.



Source: Field Study, May 2011

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5.3.6 Concern for Community

As has been mentioned in the literature review, one of the co-operatives' principles is that a co-operative should have concern for community (ICA, 2004). For the housing co-operative the main concern is to obtain houses which are seen as assets even for future generations who will inherit the houses In an endeavour to accomplish its main objective of improving the social and physical life of its members the housing co-operative attempts to fulfill its societal responsibility of providing descent shelter for its members.

5.4 Financial Governance and Management

Literature by Veerakumaran (2007) and Chirisa and Munzwa (2008) emphasises that it is apparent that financial management and governance are important aspects of the

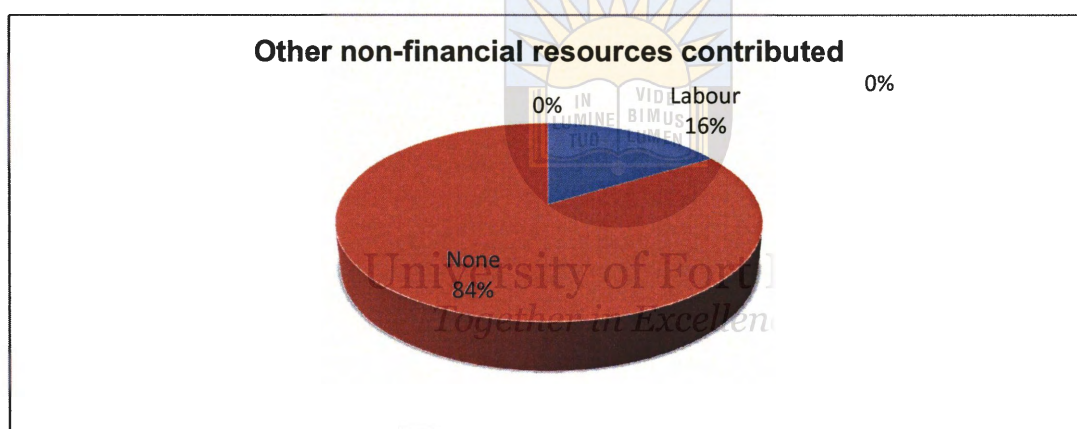
housing co-operative and have implications upon co-operatives' viability. Mazibuko and Satgar (2008) concur that professional management is essential for a co-operative to grow. Taimini (2001) identifies the following aspects that inform co-operative governance: an open election procedure, informed duties and responsibilities of the elected office bearers through education and training programmes, a clear legal framework guided by the co-operatives bye-laws. A sound financial resource base and effective professional management.

Self-management in housing co-operatives may be a problem owing to previous findings that selection of the co-operative's management is not based on technical or financial expertise. It was commendable however that the co-operative had a member who was a qualified accountant and had taken up the responsibility of bookkeeping the co-operative's financial transactions. In instances where the housing co-operative does not have a member who is qualified to assist in management, it would require the co-operative to hire such expertise. Hiring professionals such as lawyers and contractors would also require more money from members of the co-operative who already get a low income.

Findings from the study reveal that the major sources of the co-operative income are solely from the members and there was no external financial aid. Lack of an alternative source of funding other than from co-operative members is most likely to be a problem for the co-operative because it may not be sustainable. As suggested by Vakil (1994); Mubvami and Kamete (2001) findings reflect that financial institutions may either be reluctant or unable to offer co-operatives mortgage to construct houses.

Member's subscription payments are made monthly and currently each member is contributing \$35 per month. In figure 6.19, 84% of respondents indicated that apart from monetary contributions, they provided no other resources towards the co-operative. A small portion of 16% further indicated that they provided their labour, other than that it most likely that the co-operative depend on members to contribute towards financial resources.

Figure 5. 19: Other Non-financial Resources Contributed



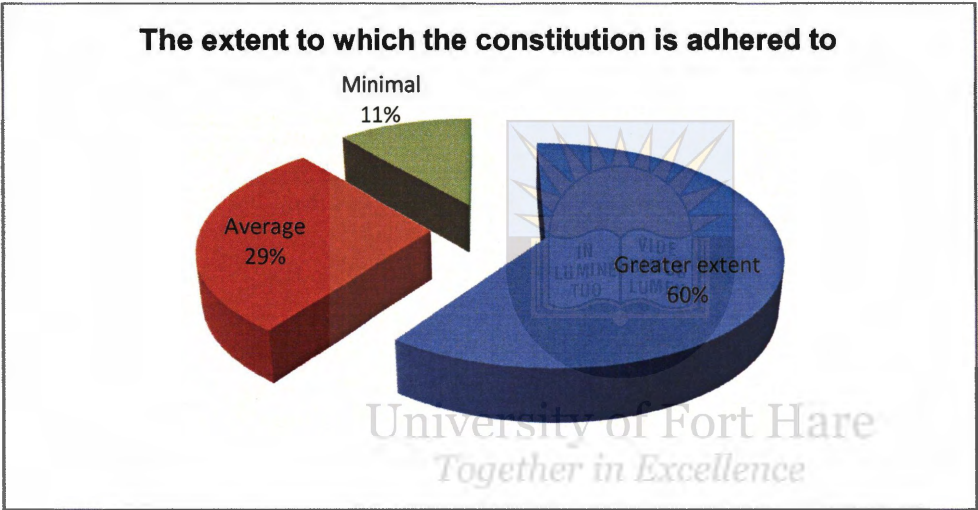
Source: Field Study, May 2011

5.4.1 Governance

All members indicated that they were aware that the co-operative has a constitution. As indicated in figure 6.20, 60% of the respondents deemed that the constitution was being adhered to, 29% expressed that the co-operative was guided by constitution to an average degree, whereas 11% revealed that the constitution was being followed to a lesser extent. Interviews with the executive committee members revealed that the housing co-operative has a set of by-laws with which the co-operative is governed. From the responses obtained, it could imply that as much a constitution for the

co-operative is in existence, members had varying views as to the way it was being implemented. For the 11% who indicated that the constitution was being adhered to a lesser extent it implies that there are loop holes within the co-operative and there is a level of dissatisfaction in relation to the fundamentals governing the co-operative.

Figure 5. 20: The Extent to which the Co-operative is Adhered to Constitution



Source: Field Study, May 2011

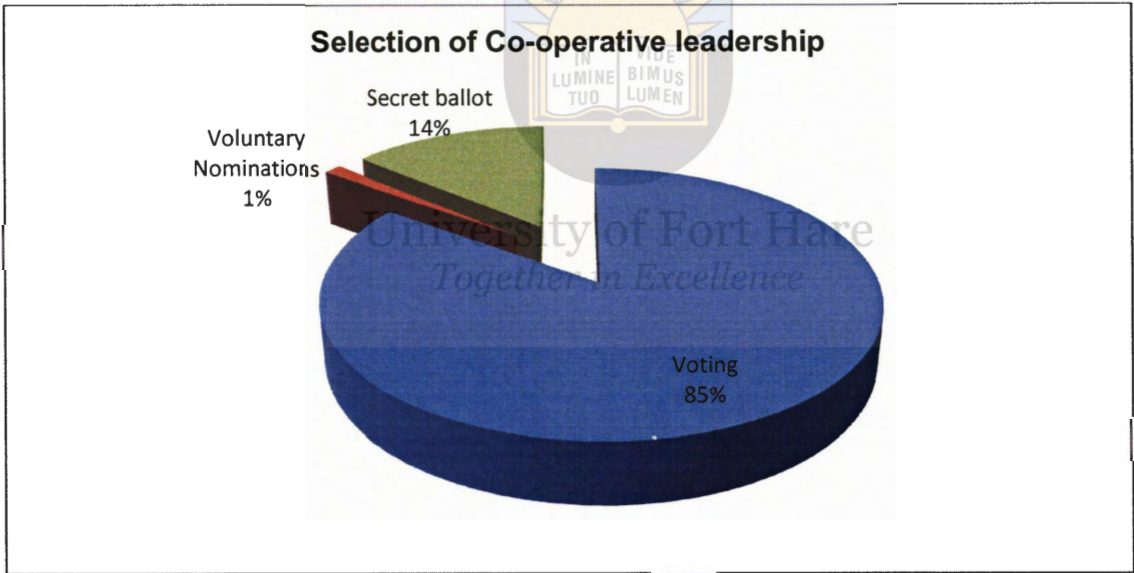
5.4.2 Management:

Voting and Selection Criteria

Voting as a necessary phase for a co-operative society is done democratically by all members of the co-operative and each member is entitled to one vote. As shown in figure 6.21, 85% of respondents indicated that co-operative leaders were selected through a voting process. 14% stated that a secret ballot is the process of selection in which each person's choice is secret but the totaled votes are made public. 1 % indicated that voluntary nominations could be conducted in which a name for a suitable candidate was proposed for election. The responses show that the co-operative

operates on a democratic election system in which the success of a candidate is premised upon the majority's choice of selection. From the interviews conducted it was comprehensible that management duties are done on a voluntary basis thus management is not paid for these duties. Non-payment of salaries may have a negative impact on their performance of duties. The implication is that without financial incentives management may lack complacency and motivation.

Figure 5. 21: Selection of Co-operative Leadership

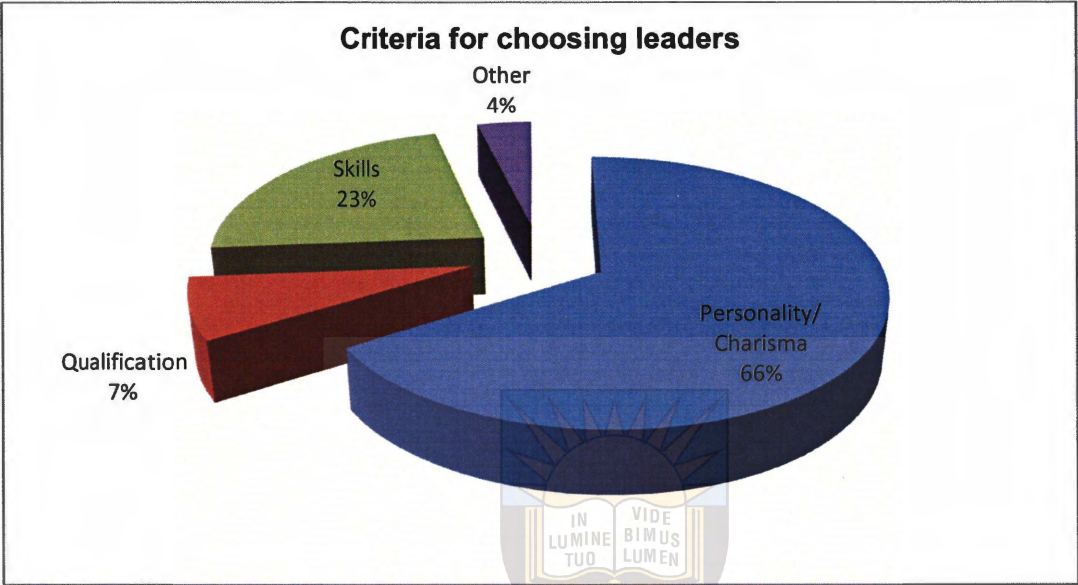


Source: Field Study, 2011

As shown by the sample's responses in figure 6.22 below, it is evident that there is no one particular standard that is used to select the co-operatives leadership. Sixty six percent of respondent's stated that selection was based on personal attributes and charisma. Charisma refers to the favorable personality of an individual to most members, in this case a candidate who is mostly vocal and eloquent in speech, 23% considered selection to be based on skills. A small percentage of 7% indicated that

qualification was also a standard for choosing leadership whereas 4% felt that apart from the three mentioned there are other factors which determine the choice of leadership. According to Rust (2001: 8) co-operative choice of leaders especially for income generating co-operatives is mostly based on "experience in running workers' committees and working in the ruling party." The housing co-operative's by-laws only state that a member of the co-operative can be expected to be in the management committee if they have "suitable" qualities. The suitable qualities are however not explained, only prescribed conditions are listed as follows; the member must have made full membership payment and full share capital. Prospective committee members should not been declared insolvent or have been imprisoned in the last six months and that they are not allowed to be members of any other co-operative. The housing co-operatives by-law is silent about selection of management based on qualification or experience. This may be a cause for concern since one's level of education may affect the management of the co-operative in one way or the other and probably negatively if management is unqualified and inexperienced.

Figure 5. 22: Criteria for Selecting Leaders



Source: Field Study, May 2011

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Improving Management of the Housing Co-operative

In order to improve management affairs within the co-operative, 43% of the respondents felt that training of members in management was important, 38% felt that increasing the participation of members would help improve management affairs this included keeping the communication channels between leaders and members open. 13% stated that consultation with out other co-operatives would make management affairs easier, whereas 6% suggested emplacing measures of checks and balance, as a way of auditing operations.

Table 5. 3: Opinion on Improving Management Affairs

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Training management	34	42.5	42.5	42.5
Increase member participation	30	37.5	37.5	80.0
Audit management affairs	6	7.5	7.5	87.5
Refer to other co-operatives	10	12.5	12.5	100.0
Total	80	100.0	100.0	

Source: Field Study, May 2011

5.5 Achievements of the Housing Co-operative

As indicated in table 6.4 below one of the major achievements of Emganwini housing co-operative has been that of acquiring 300 housing stands from the local government. This accomplishment is significant in that access to housing stands in Bulawayo's urban areas is a dire challenge to home seekers who need to register in the housing waiting list, whose numbers continues to increase and according to Chatiza and Mlalazi (2009) Bulawayo's waiting list stands at 85 000. Moreover the conditions to register in the waiting list include producing proof of employment and income which may not be met by those who are informally employed and not qualify because they have no stable sources of income. The co-operative advantage has made it convenient for individuals who are members of housing co-operative to access land. Moreover, the urban local government authorities has relaxed regulations which govern access to land, making it possible for co-operatives to function more effectively.

22.5% mentioned that among the co-operatives achievements was servicing the land allocated to them. While doing a background check, the researcher also found out that the co-operative had so far managed to completely construct two houses. The fact that

the housing co-operative has managed to do this, acquire stands, service the land and bought a considerable amount of building materials is evidence enough to demonstrate the potential that the co-operative has towards ultimately completing construction of all houses.

Table 5. 4: The Co-operatives Achievements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Acquired stands	55	68.8	68.8	68.8
	Serviced/Developed stands	18	22.5	22.5	91.3
	Purchased building materials	6	7.5	7.5	98.8
	completed slabs	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Source: Field Study, May 2011

5.6 Challenges Experienced by the Housing Co-operative

5.6.1 Challenges

The ratings of the challenges encountered by the co-operative (Table 6.5) showed that 48.8 % of the respondents perceived that the biggest challenge of the housing co-operative is the inadequacy of finance, most of the co-operative funds are sourced from the members of the co-operative whose resource base is based on low income earnings. As a result 17.5% of respondents appeared to be discontent about the slow pace of construction possibly due to the high cost of building materials.

Twenty percent expressed that the co-operative activities lacked transparency. Whereas the rest of the respondents identified internal problems with the co-operatives

as part of the challenges, some viewed the constant withdrawal by other members as a risk to the co-operative's viability. Respondents confirmed that since establishment of the co-operative, more than fifty members have withdrawn. These findings are consistent with Mubvami and Kamete (2001); Wanyama (2008) and Sharma (2008) who argue that housing co-operatives face a wide range of problems that include lack of adequate funding, lack of technical and financial management skills which result to non-viability of housing co-operatives. An indication of lack of transparency within a co-operative implies that there may be thoughts of suspicion and distrust. This may further threaten the viability of the co-operative in that members' levels of commitment towards the co-operative will decrease. This may be attributed to the fact that the housing co-operative is a self-management society whose executive committee is not always based their experiences or qualification. Consequently, this becomes a challenge considering that most members generally lack the necessary managerial, technical or financial expertise.

In view of the mentioned challenges, it appears as though problems experienced by the housing co-operative typical of most co-operatives as previous literature has indicated. Given the nature of problems housing co-operative encounters it maybe reasonable to suggest that the co-operative requires practical solutions to address these issues. For these problems to be dealt with, it not only requires effort from the housing co-operative, but also from the co-operative sector, other co-operative organisations and government.

Table 5. 5: Problems Threatening Viability of Co-operative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Financial	39	48.8	48.8	48.8
	Lack of transparency	16	20.0	20.0	68.8
	Internal squabble	8	10.0	10.0	78.8
	delay in construction	14	17.5	17.5	96.3
	Withdrawal of members	3	3.8	3.8	100.0
	Total	80	100.0	100.0	

Source: Field Study, May 2011

Having mentioned the problems that the housing co-operative encountered, respondents were also asked to state the probable causes of these problems. As shown in table 6.6 the majority (36%) of the respondents generally felt that the macro-economic constrains were creating problems for the co-operative. This problem is also linked to the high cost of construction materials and inaccessibility to finance. 26% attributed the co-operative's challenges to administrative problems within the co-operative. A sizable percentage of 20% viewed the lack and untimely payment of subscriptions by defaulting members as a setback for the co-operative. 14% of the respondents perceived the expensive building materials to probably be the cause of delay in construction, whereas 4% considered the withdrawal of members from the co-operative to also cause problems for the co-operative. Kramarenko *et al* (2010) explain that Zimbabwe's economic situation in 2008 led to hyperinflation and to the abandonment of the Zimbabwean dollar as a national currency. Bank accounts denominated in Zimbabwean dollar became dormant. Investments made in Zimbabwean currency ceased. As a result Emganwini housing co-operative was hard

hit by the removal of the Zimbabwean dollar because they had invested their money in a local bank. The funds invested by the housing co-operative in Financial Banking Corporation (FBC) became valueless. This meant that the co-operative had to begin raising capital in United States dollars which is not easily accessible. Currently members only contribute \$USD 35 per month towards the co-operative's funds. This is too meager to create a sustainable resource base for the housing co-operative.

Table 5. 6: The Possible Causes of Challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lack of subscription payment	16	20.0	20.0	20.0
	Members with draw	3	3.8	3.8	23.8
	Expensive building materials	11	13.8	13.8	37.5
	Macro economic constraints	29	36.3	36.3	73.8
	Administration problems	21	26.3	26.3	100.0
	Total	80	100.0	100.0	

Source: Field study, May 2011

Respondents' Recommendations

The responses of the recommendations in table 6.7 below showed that there is a level of commitment by members to attain their co-operative goals. In order to achieve viability 48.8% of respondents considered that financial assistance or donor support and access to funding would help deal with the major problems being experienced by the co-operative, taking into cognisance that the housing co-operative was not a profit making organisation and is currently dependent on members subscription payments as a financial basis. Also related to financial issues is the macro-economy, 16.3% of the

respondents presumed that once the nation's economy became stable, this would create a favorable economic environment for the housing co-operative to operate.

The establishment of Emganwini housing co-operative in 2005 also coincided with a period where the Zimbabwean economy was under turmoil, which was characterised of high inflation rates, the devaluation of the Zimbabwean dollar and the eventual adoption of the multiple foreign currency system. Mashumba (2002) explained that due to the harsh economic environment, inflation gave impetus to the rocketing of the cost of building materials which decreased progress in the construction of houses by co-operatives. The Mid-fiscal policy (2011) acknowledges that there is need for economic stabilisation so as to contain inflation by arresting rapid price movements and restoring the banking sector's financial intermediation role to housing development.

A sizeable percentage of 16.3% also felt that additionally the government should assist co-operative efforts. In the interviews conducted, some of the executive management members were concerned about the prolonged delay of issuing their certificate of registration by the responsible ministry. Since registration of the co-operative with the Ministry of Youth Development in 2005 which then administered the department of co-operatives, a certificate had not been obtained considering that the co-operative met all the requirements for registration. The waiting period had also been prolonged by government's shifting of the co-operative department to the Ministry of Small to Medium Enterprises and Co-operative Development in 2009. This posed a challenge for the co-operative, because without a certificate as proof of registration, the housing co-operative cannot be viewed as a legal entity and this may be a major drawback in

the event that they intend to seek access to credit from potential financial institutions. Government could also offer more technical support towards the co-operative.

11.3% of the respondents suggested that human resources development of members, especially the executive committee would increase the viability of the co-operative. Lack of information, training and expertise of the members and leadership was one of the drawbacks of the co-operative.

Table 5. 7: Recommendations on Increasing Viability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Training	9	11.3	11.3	11.3
	Funding/Financial assistance	39	48.8	48.8	60.0
	Government support	13	16.3	16.3	76.3
	limited membership	6	7.5	7.5	83.8
	A stable economy	13	16.3	16.3	100.0
	Total	80	100.0	100.0	.

Source: Field study, May 2011

5.7 Analysis of the Findings and Discussion of their Implications

5.7.1 Implications on the Housing Co-operative and Co-operative Sector

Findings from the demography of the sample show that co-operative members are homogenous in nature, given that they share similar socio-economic statuses where most of them reside in rented accommodation and are of the same income bracket. The research observed that in an effort to be independent and autonomous societies, the housing co-operative has isolated itself from potential benefactors. Given the findings, it is evident that the housing co-operative is in earnest need for external support. It is of paramount importance for housing co-operatives to engage in linkages

and collaboration with other co-operatives. Networking and sharing experiences may be vital for the co-operative to be effective and to reach its fullest potential. It may also be necessary for the co-operative to join the apex body of housing co-operatives at least at provincial level.

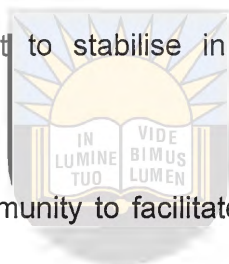
Having realised that the only source of funding for the housing co-operative is members' contributions, ultimately there is a delay in construction implies that the co-operatives funds are insufficient and the co-operatives need start venturing into other forms of investment and profit making activities to such as brick molding to raise funds for construction. For a co-operative to be successful, it needs to have a well-developed financial mechanism.

Training is essential for the co-operative to be successful in achieving its objectives, training in leadership skills, technical knowledge and access to new technology is required. At the same time this would allow this would allow policy awareness, capacity building and co-operative development. Having said this, it can be concluded that the co-operative sector can play a significant role in the housing sector, although at the moment there is not much contribution in the housing sector its efforts are less visible at national level. There could be better prospects of viability and efficiency for the co-operative if management improved its capacities, active participation by members and communication with management.

5.7.2 The Housing Sector and Housing Finance

The housing sector in Zimbabwe is limited in terms of developing housing strategies for low income earners in the housing co-operative sector. There is limited resource mobilisation for low-cost housing. Consequently the housing needs may not be

adequately met given these circumstances. It appears that the current housing market does not have provisions for housing finance for low income earners. The hyperinflationary environment has posed a challenge to housing provision and has led to under capitalisation of possible housing financiers as such building societies are unable to mobilize mortgage finance. Mutekede and Sigauke (2009) confirm that Zimbabwe continual economic downfall has rendered the housing sector, especially co-operatives incapable, hence there is need to revive such co-operatives. It is critical for the macro-economic environment to stabilise in order to revive the financial institutions for housing funding.



The engagement of international community to facilitate with foreign direct investment and donor funding can be sought to assist in housing finance for low income earners. As proposed by Chaeruka and Munzwa (2009) housing finance institutions such as Building Societies, National Social Security Authority (NSSA) and Infrastructural Development Bank of Zimbabwe (IDBZ) ought to work with local authorities in financing low cost housing projects and possibly availing loans to housing co-operatives.

5.8 Conclusion

As reflected by the findings of the study, co-operative principles have a bearing on the viability of the housing co-operative sector in Zimbabwe. These principles are not independent of each other but they are intertwined and work together towards the goal of enhancing co-operative development. The study also observed that while these principles are essential for co-operatives, members of the co-operative may not necessarily be interested in achieving the principles *per se* but mainly on their objective which is to have houses.

Moreover, there exist other outstanding factors that inhibit the functioning of a co-operative and these factors may be external in nature that is beyond the control of the co-operative. Among the numerous challenges faced by the housing co-operative included the impact the macro-economy. Since inception of the housing co-operative in 2005, Zimbabwe's economy has been characterised of hyper inflation, this has seen a rise in prices of not only basic commodities but an increase of building material prices as well. From the analysis it can further be deduced that this housing co-operative in Zimbabwe was not very well capacitated to insulate itself from the macro-economic crisis that has impacted the country for the past ten years. This could be the same experience of most housing co-operatives as well.

Analysis of the field findings seems to affirm that housing co-operatives are agents of housing provision for low income groups as reflected by the majority income scale of the members. Theories on co-operatives and collective action concur with empirical or practical evidence from Emganwini housing co-operative in that there is a collaborative advantage as individuals experiencing the same predicament come together to address their problem. There was consensus among respondents involved in the study that the housing co-operative has not really been able to achieve its main objective of providing houses for its members however, the acquisition of stands was a significantly appreciated accomplishment. The study responded to the research question of the study, "what are the problems that housing co-operatives face and the possible solutions?" As a possible way forward building the capacity of co-operative members is critical. This effort should be accompanied by good governance and financial management of the co-operative as suggested by Chirisa and Munzwa (2008), as such

this will ensure effective planning and formulating policies which have a bearing on housing delivery.



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CHAPTER 6

CONCLUSION, SUMMARY AND RECOMMENDATIONS

6.1 Introduction

The purpose of this study was to assess the extent to which housing co-operatives are viable agents of housing provision. Co-operatives are seen as one of the alternatives to address the housing crisis in Zimbabwe. The goal is, therefore, not always to achieve what may be defined as an ideal of 'co-operation', but rather to use co-operation as a methodology to overcome poverty and its associated problems such as inadequate housing. The chapter presents a summary of the research findings and the respective policy implications, areas of further research and conclusion.

6.2 Summary

The study revealed that in the midst of a housing crisis in Zimbabwe, the housing co-operative sector may be a potential alternative to ease the existing housing backlog. Literature revealed that even with different housing finance systems existing in Zimbabwe, the country's housing backlog continues to increase. Hence the need to evaluate housing co-operatives as a viable vehicle towards housing provision especially for low income groups. A case study of Emganwini housing co-operative was conducted. Conclusively from the data collected, findings were presented based on the application of seven co-operative principles and additionally the governance and management of the housing co-operative. While housing co-operatives have made significant progress in sub-Saharan Africa and in the Zimbabwean context, the housing

co-operative sector has encountered a number of challenges which threaten their viability. These challenges not only emanate from within the co-operative but also from the prevailing macro-economic conditions of the country. Inadequate financial resources remain a huge obstacle to the success of housing co-operatives. Lack of funding and access to raise capital continues to stomp progress for housing co-operative development. Internal problems include lack of transparency from the way in which the co-operative is run. There is lack of educational facilities especially in terms of administration and financial management that impede and stunt the development of a co-operative.

In retrospect the co-operative sector has revealed to have the potential to initiate the accessibility of land for housing development, as shown by the case of Emganwini housing co-operative. However, with the subsequent economic hardship that hit the nation of Zimbabwe the co-operatives efforts were hampered.

6.3 Policy Implications

UN-Habitat (2002) points out that, co-operatives need to operate within an enabling environment which should be provided by appropriate legislation and governmental policies. The implementation of government policies and programmes is an aspect of co-operative development. Zimbabwe's Co-operative Act (2005) and Co-operative Development Policy support the development of co-operatives in their various jurisdictions nationwide. To complement these policies there is need for the government to develop a co-operative policy that will recognise the different sectorial aspects of co-operatives. For instance one which will recognise that housing co-operatives in their respect are unique from other co-operatives and are highly distinguished from small

business co-operatives, manufacturing and credit co-operatives. Hence housing co-operatives need to be dwelt with in their capacity as entities different from other profit making business entities. Also there is need to take into account that within housing co-operatives there are different types according to their functions. For instance other housing co-operatives that may be non-profit making and only focused on its mandate of providing housing to all their members are mostly likely to dissolve or discontinue after their objective has been met. Given the aforementioned there may possibly be a need to have a housing co-operative policy document that deals with all the specifics of housing co-operatives.

Sedhian (2005) points out that for housing co-operatives to function properly, housing policy must act as an initiator which recognises housing co-operatives as an alternative for providing housing to low income groups. The housing policy of Zimbabwe needs to have clearly defined guidelines for housing co-operatives. Although the current housing policy acknowledges the existence of self-help housing associations, there is no strategic *modus operandi* for them to operate as a viable means of housing finance.

The promotion and independence of self-help groups or co-operative groups by Government are essential and government's intervention may most likely be imperative when it comes to financing housing co-operatives for low income groups. Ideally as a starting point, the government may subsidise the construction cost of housing co-operatives. Facilitation of construction loans to co-operatives through liaison with financial institutions such as the Infrastructural Development Bank of Zimbabwe (IDBZ) or the Zimbabwe Building Society (ZBS) can help financially equip housing co-operatives. As is evident that funding in the co-operative sector is a problem, a

co-operative bank can be established to give housing co-operatives and other co-operatives access to loans at minimum interest rates.

In a case study of Nepal, carried out by Sedhain (2005) the author recommends that a Co-operative Bank can be developed from existing savings and credit co-operatives, in that manner accessibility to loans is feasible as compared to existing commercial banks which have strict conditions attached especially when required by low income people. Government can also launch a trust fund to aid the development of the co-operative sector.

It is important for stakeholders to initiate collaboration with international organisations such as the International Co-operative Alliance (ICA) and the International Labour Organisation (ILO) towards implementing training programmes to advance members of co-operatives especially the economically challenged. The UN Habitat, ICA and ILO may also need to provide advice on legislative issues concerning co-operatives. Government should also work in collaboration with Non-governmental organisations in promoting housing initiatives by low income groups. NGOs such as the Swedish Co-operative Centre (SCC), SIDA and Rooftops Canada are also working towards expanding the housing co-operative sector in Zimbabwe. Its initiatives involve capacity building through training programmes for urban housing co-operatives, consultancy and advocacy, however their efforts are minimal and the projects have been too small to provide clear-cut results Swedish Co-operative Centre (SCC) (2007). This may be attributed to the fact Swedish Co-operative Centre (SCC) efforts are centered upon existing co-operatives within the apex body of co-operative union, hence if a particular co-operative is not part of the apex body then it will not receive technical assistance as

was the case with Emganwini housing co-operative which is not an affiliate of ZINACHO.

Theron (2010) notes that in the case of Zimbabwe it seems as though co-operatives are viewed in the same umbrella as Small and Medium Enterprises (SMEs). This creates bias in that in the long run co-operatives do not receive as much support as SMEs. Government should give as much support to co-operatives as is given to SMEs. Prompt issuing of a certificate for housing co-operatives by the responsible Ministry will allow the co-operatives to operate in appropriate legal environments to strengthen the security and soundness of co-operatives.

6.4 Recommendations

- **Mutual support for co-operatives**

The study concludes that local government should play an active role in creating more collaborative partnerships; those that focus on training and facilitating the efforts of civil society to establish entities such as housing co-operatives. This essentially means that local government may need to change the way in which it initiates the delivery of services to the housing co-operative sector (Jacobs, 2011 and Herbst, 2010). The possible success of the co-operative sector will largely depend on governments' initiative in putting in place the required institutional structures and providing resources towards its viability. Government should support partnerships and liaison with international co-operative organisations. Jacobs (2011) and Mubvami and Kamete (2001) stress that if ever co-operatives are going to be viable agents to alternative housing delivery, the state has an important role to play in supporting the co-operative

movement. In the case of housing co-operatives where a number of them have may have registered but have since become dormant, the government may need to make a follow up on them. The government of Zimbabwe needs to develop strategies to ensure the co-operative sector gains impetus without compromising the sovereignty and autonomy of the co-operatives.

Furthermore, the national housing policy which is currently under revision needs to acknowledge housing co-operatives as one of the key players in housing provision and recognise them as an alternative way to deal with the housing crisis. With adequate funding, the National Housing Department in liaison with the Ministry of Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) may launch a co-operative housing programme to assist in developing a viable co-operative housing sector in Zimbabwe.

- **Institutionalisation of co-operative knowledge**

Government and line ministries such as the Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) and National Housing should take an active role in disseminating information and expanding knowledge of the co-operative movement. If funds permit, government can set up an institute for co-operative development as is the case in Uganda which established the Uganda Co-operative College. The setting up of an Institute for co-operative development would sensitise the members about the co-operative principles and how they can best put them into practise. An additional case in point is that of Tanzania's Moshi University College of Co-operative and Business Studies (MUCCoBs) in which education, training and learning has been integrated (Chambo, 2010). Leaders and management may be

educated about their responsibilities and roles within the co-operative to initiate sound decisions and policy making. Theron (2010, 27) states that in the case of Zimbabwe it has been proposed that education and training will be transferred to “specialised co-operative institutions”, however not much detail has been given by the government of Zimbabwe how the institutions will be established and how this will be plausible. Apart from that co-operative studies can be embedded into the schools, higher tertiary and learning institutions curriculum.

- **Collaboration of Co-operatives**

There is need to lobby for co-operatives to join apex bodies, although this is not compulsory, collaboration with other co-operatives is one of the seven principles of co-operatives. Of the 41 registered housing co-operatives in Bulawayo province by the Ministry of Small and Medium Enterprise and Co-operative Development (SMECD), only 14 co-operatives are affiliate members of the Zimbabwe National Association of Housing Co-operative (ZINACHO) in Bulawayo province. ZINACHO is an apex body which unites, represents and provides leadership to housing co-operatives in Zimbabwe. The apex organisation Zimbabwe National Association of Housing Co-operative (ZINAHCO) needs to reinforce itself and increase its capacity beginning at district then at provincial level to ascertain its role as a representative to all its affiliate members. Strengthening and promoting the apex body ZINAHCO will in addition encourage non-member co-operatives to join. According to Vakil (1994); Chirisa and Munzwa (2008), co-operatives would be strengthened if they are given more assistance. To be guaranteed of long term viability, co-operatives need to collaborate or

be involved with other co-operatives, to be part of an apex organisation of co-operatives.

- **Co-operative Sector Database**

UN (2001:12) states that co-operatives need a database and information systems with updated statistical data. It is important for information to be accessible and available in the form of basic statistics to avail the co-operative sector. The study has been able to establish that the Zimbabwean government has no centralised database of registered and operational co-operatives in the country, the department of housing in the Ministry of National Housing currently has no statistical record of the number of operational housing co-operatives. From the research carried out, it is evident from the lack of statistical records that minimal attention has been directed towards co-operatives. It may appear that the Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) has prioritised small to medium enterprise department and limited focus on co-operative sector in view of the fact that the former (SMEs) department already has a database at hand and nothing sufficient for the latter.

As a result, more updated information is available on SMEs and there is limited information on co-operatives statistics in Zimbabwe, hence the proposal to develop a national database for all co-operatives is essential. During the carrying out of this study, the Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) indicated that the Ministry is progressing towards developing a database for co-operatives nationwide. The establishment of a database will play a critical role as it will avail the government with comprehensive up to date information on the sector and

to constantly administer the development of the sector. Having a database will enable policy makers to review the impact of co-operatives policies which may have been promulgated. It is recommended that government hasten the process of creating a co-operatives database which will provide an updated statistical record of information on registered co-operatives according to their sectors.

- **Human Resource Development and Training**

For co-operatives to play their role and to be true to their principles there must be a favourable and appropriate institutional and macro-economic environment that will enable co-operatives to be viable. It is vital to recognise the importance of a substantial investment on human resource development. With the rapid increase of co-operatives being formed, Government Ministry of Small and Medium Enterprise and Co-operative Development (SMECD) needs to adequately equip itself with personnel and resources to train prospective members. Apparently the ministry has not been able to carry out training programmes for all co-operatives due to its limited budget. It may be essential for the ministry to seek assistance from line ministries to support in the training activities of co-operatives to expedite the human resource development process. Birchall (2003) accentuates that the principle of education cannot be over emphasised and if co-operative promoters should make a noteworthy contribution it should be in human resources.

- **Emulation of co-operative experiences**

International experiences should be tapped and adapted for application in Zimbabwe's housing co-operatives context. It is commendable that the Zimbabwean government

identifies with the International Co-operatives Day and initiates public celebrations and awareness campaigns through the Zimbabwe National Co-operative Federation (ZNCF) so that people become conscious and responsive to the potential co-operatives have in making a contribution to social, physical and economic development. There may be a need to initiate forums and dialogues where information about the co-operative movement and specifically the housing co-operative will be shared.

6.5 Areas for further study

This research only centered on one particular case study of a housing co-operative with a membership consisting of mostly low income earners. Apart from being a possible answer to housing problems, co-operatives in general have also gained impetus as plausible resolution to socio-economic problems. Internationally co-operatives seem to have developed along a number of lines appear to have the prospective to contribution to economic development (Birchall 2001). Taking into account the factors discussed in this research, it is convincible that co-operatives can play a significant role in addressing social economic concerns. This study can, therefore, be taken up further to a broader level which can evaluate the contribution of the co-operative sector to macro-economic development. There still remains an enormous potential to be explored for co-operatives to be regarded as significant contributors to economic development through investments in small scale enterprises, employment creation and income generation. The capacity for the co-operative sector to aid the country's Poverty Reduction Strategy process (PRSP) is yet an aspect that regards attention and requires evaluation. The researcher is of the opinion that further research in these areas would answer questions like; how can the promotion of co-operatives be enhanced and demonstrated?

Conclusion

In conclusion the aim of the study was to assess the potential viability of housing co-operatives in facilitating the provision of housing to the homeless low income earners in Zimbabwe. As evidenced from the findings of the study it is clear that the housing co-operative by and large need to be revived. Finally the study agrees with Chirisa and Munzwa (2008) that there is need for transparency with the co-operatives leadership and a professional management committee. Housing co-operatives also require government support to facilitate and promote the co-operatives activities Members active and total participation in operations within the co-operative. Apart from the major objective of helping members access housing, housing co-operatives should be capable of engaging in other community activities. Some of the challenges which hinder co-operatives from properly participating in effective housing delivery are externally induced and these relate to the macro-economic conditions and high inflation rates. It is therefore, fair to conclude that housing co-operatives may currently not be the solution to the housing crises in Zimbabwe, but they certainly are part of the solution especially for low income earners.

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APPENDICES

APPENDIX 1:

Questionnaire for members of the Housing Co-operative



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Semi-structured questionnaire consisting of open ended and close ended questions

To be administered to the members of the co-operative

My name is Olgah Mabusa, from the University of Fort Hare in the Department of Development Studies pursuing a Master of Social Science Degree. I am conducting a research on housing co-operatives and their viability in Zimbabwe. You are guaranteed that the information you supply in this study will be utilised exclusively for academic purposes. Your responses will be treated as confidential as possible. Note that no answer will be considered as right or wrong. Your co-operation determines the success of this investigation. Thank you.

SECTION A: PERSONAL INFORMATION (Mark with an X where appropriate)

1 Gender: Male ☐
 Female ☐

2 Age

Below 21	21-30	31-40	41-50	Above 50

3 Income group

\$0-150	\$150-\$300	\$301-\$450	Above \$450

4 Marital status

Married	Single	Divorced	Widowed

5 What is the highest level of your academic completion?

- i) Below Ordinary level

ii) Ordinary level

iii) Advanced level

iv) Diploma

v) 1st Degree and above
-

6 What is your employment status?

- i) Employed

ii) Part time employee

iii) Self-Employed

iv) Not Employed
-

SECTION B: (please mark the appropriate box with an X)

7 Housing co-operatives as voluntary open and democratic organisations

- (a) How long have you been a member of the housing co-operative?

1 year	2-3years	3-4 years	4 years and above

(b) How did you join the co-operative?

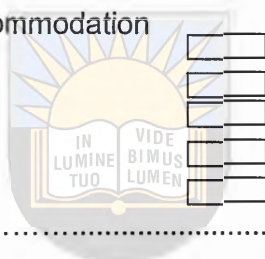
- i) Voluntary
- ii) Compulsory
- iii) Introduced by someone
- iv) Other specify.....

(c) Reason for joining the co-operative:

- i) Lack of accommodation
- ii) Failure to access stand from council
- iii) Co-operative advantage
- iv) Other specify

(d) State the type of your current accommodation

- i) Rented
- ii) Mortgage
- iii) Employment attached
- iv) Purchased
- v) Co-operative scheme
- vi) Other.....



(e) What is your current stage of housing development with the housing co-operative?

- i) Serviced stand
- ii) Slab level
- iii) Super-structure level
- iv) Partly complete
- v) Completed structure
- vi) None of the above

(f) How often do you participate in decision-making in the housing co-operative

- i) Several times
- ii) Only when necessary
- iii) Seldom
- iv) Never

(g) How often do you receive feedback from the executive committee on decisions made

- i) Several times
- ii) Sometimes
- iii) Seldom
- iv) Never

(h) Did you elect your current housing co-operative leadership?

Yes ☐ No ☐

8 Involvement of external organisations and other co-operatives

(a) Sharing ideas with other co-operatives and organisations will enable the functioning of the co-operative

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
----------------	-------	----------	----------	-------------------

(b) What form of assistance does government give

- i) Financial
- ii) Technical training
- iii) Advice /consultancy
- iv) None

(c) What form of assistance do other associate co-operatives give?

- i) Financial
- ii) Technical
- iii) Advice
- iv) Donations
- v) None

9 Financial management and governance of the housing co-operative

a) What are the major sources of income for the housing co-operative?

- i) Contributions from members
- ii) Donor funding
- iii) Bank loans
- iv) Government assistance
- v) Other specify.....

b) How do you select the leadership of the co-operative?

- i) Voting
- ii) Voluntary nominations
- iii) Choose by secret ballot

c) Members of the executive committee are chosen on the basis of.....

- i) Personality/Charisma
- ii) Academic qualification

- iii) Skills/expertise know how
- iv) Other specify

d) How often do you make financial contributions into the co-operatives?

- i) Weekly
- ii) Monthly
- iii) Yearly

e) What other non-financial resources do you contribute to the co-operative?

- i) Labour
- ii) Building materials
- iii) Equipment/machinery
- iv) None

f) Does the co-operative have a constitution?

Yes No

g) To what extent is the housing co-operative guided by its constitution?

h) What can be done to improve management affairs within the co-operative?

.....

10 Education and training

a) What form of education have you obtained from the co-operative?

- i) Management Skills
- ii) Technical skills
- iii) Knowledge about co-operatives
- iv) None

b) Training and education are fundamental for the housing co-operative

- i) Strongly agree
- ii) Agree
- iii) Not sure
- iv) Disagree

c) What can be done to enhance educating and training members of the co-operative?

.....
.....
.....

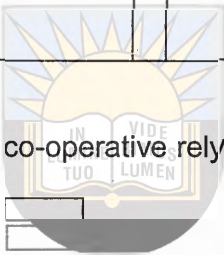
11 Independence and autonomy of the co-operative

a) The housing co-operative is progressing towards self-reliance?

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
----------------	-------	----------	----------	-------------------

b) Which of the following does the co-operative rely on in terms of consultation and assistance in decision-making?

- i) Members
- ii) Management
- iii) Government
- i) Apex co-operative



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12 What so far do you think have been the achievements of the co-operative?

.....
.....
.....

13 What are the problems you think are threatening the co-operatives viability?

.....
.....
.....

14 What in your opinion are the causes of challenges you are facing as a co-operative?

.....
.....
.....

15 What in your opinion can be done for the housing co-operative to be more effective?

.....
.....
.....

Thank you very much for your cooperation in this investigation.

APPENDIX 2:

Translated Questionnaire: Ndebele

Imbuzo yokuhluzisa kwamalunga enhlanganiso yokwakha izindlu

IMIBUZO MAYELANA NGEMPILO YAKHO (Mark with an X where appropriate)

- 1 Owesilisa ☐
- Owesifazana ☐



2 Iminyaka kokuzalwa

Below 21	21-30	31-40	41-50	Above 50

3 Inzuzo yemali ngenyanga:

\$0-150	\$150-\$300	\$301-\$450	Above \$450

4 Ukusiphi isimo somendo:

Utshadile	Awutshadanga	Wehlukene lomkakho	Ungumfelokazi

5 Uciné kusiphi isigaba zomfundo:

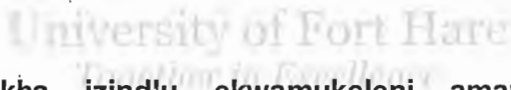
- vi) Ngaphansi kwe- Ordinary level
- vii) Uphelele ku-Ordinary level
- viii)Uphelele ku-Advanced level
- ix) Uphelele ku-Diploma
- x) Uphelele ku- Degree kumbe okunye

6 Isimo sokuqhatshwa kwakho yisiphi:

- v) Uqhatshiwe okwesikhathi eside
- vi) Uqhatshwe okwesikhathi esilutshwane
- vii) Uyazisebenzela
- viii) Kangiqhatshwanga



SECTION B: (Kumpendulo obona ifanele, dweba u-X)



7 Inhlanganiso yokwakha izindlu ekwamukeleni amanye lokukhululeka kokuzibusa

(a) Usube lilunga lenhlanganisao okweminyaka emingaki?

Umnyaka omnye	Iminyaka emibili lantathu	Iminyaka emithathu lane	Iminyaka emine kusiyaphezulu

(b) Wangena njani inhlanganiso yokwakha izindlu?

- v) Ngokukhuluieka
- vi) Ngodlakela

vii) Ngokukhuthazwa ngabanye

viii) Ngokunye

(c) Isizatho sokungena kunhlanganiso

v) Ukuswela indlu yokuhlala

vi) Ukuswela indawo yokwakha ku-hulumen

vii) Ukukhululeka kwenhlanganiso

viii) Okunye

(d) Uhlala kuyiphi indawo

vii) Indlu yokubhadhalela ukuhlala

viii) Indlu yokukhupha imali ethile

ix) Indlu yomsebenzi

x) Indlu engayithengayo

xi) Indlu yenhlanganiso

xii) Eyinye.....

(e) Indlu yakho eyenhlanganiso isifike kusiphi isigaba

vii) Isi-Serviced

viii) Isifike ku-Slab level

ix) Isi ku-Super-structure level

x) Isizaphela ukwakhiwa

xi) Isiphelele ukwakhiwa

xii) Akula osokwenziwe

(f) Kukangaki lapho ophathisa khona ukuthi lithathe isingqumo kunhlanganiso?

v) Kuso sonke isikhathi

vi) Nxa kudingakala

vii) Kukalutshwane

viii) Hatshi

(g) Kukangaki lapho elithola khona impendulo evela kubakhokheli benhlanganiso?

v) Kuso sonke isikhathi

vi) Nxa kudingakala

vii) Kukalutshwane

viii) Hatshi

(h) Wakhetha na abakhokheli benhlanganiso?

Yebo

☐

Hatshi

☐

8 Ukubambana kweNhlanganiso lamanye amalunga lezinye inhlanganiso

- (a) Ukuhlunganisa imibono lezinye inhlanganiso kungacizelela ukuphumelela kweNhlunganiso yokwakha izindlu.

Ngivumelana lakho kakhulu		Nyiyav umelan a lakho		Kangila qiniso		Kangivu melani lakho		Kangivumelani lakho kakhulu
------------------------------	--	-----------------------------	--	-------------------	--	----------------------------	--	--------------------------------

- (b) Uhulumende uluphathisa ngayiphi indlela

- v) Ngemali
- vi) Ngemfundiso
- vii) Ngombono lokuxwayisa
- viii) Akula

- (c) Ukuphathisa kwezinye inhlanganiso?

- vi) Ngemali
- vii) Ngemfundiso
- viii) Ngombono
- ix) Ngolunye uncedo
- x) Akula

9 Ukuphathwa kwemali lobukhokheli benhlanganisozezindlu

- a) Yiziphi indlela elithola ngayo imali yenhlanganiso yokwakha izindlu?

- vi) Imali evela kumalunga enhlanganiso
- vii) Ukuphathiswa ngezinye inhlanganiso
- viii) Ibhanga lemali
- ix) Ukuphathisa kukahulumende
- x) Okunye.....

- b) Wakhetha njani abakhokheli benhlanganiso?

- iv) Ngokuba votela
- v) Bazinikela ukukhethwa
- vi) Bakhethwa ngendlela yokwethula amabiz

- c) Chaza ukuba inkokeli zikhethwa ngesimo esinjani?

- v) Ngesimo somuntu

- vi) Ngezifundo
- vii) Ngolwazi lwakhe
- viii) Ngokunye

d) Ukhipha kangaki imali kunhlanganiso?

- iv) Ngeviki
- v) Ngenyanga
- vi) Ngomnyaka

e) Kungaba lokunye okunikela khona kunhlanganiso ngaphandle kwemali?

- v) Ekuncediseni
- vi) Impahla zokwakha
- vii) Imitshina yokwakha
- viii) Akula



f) Inhlanganiso yenu ilenhlelo egoqela imithetho?

Yebo ☐ Hatshi ☐

g) Ukukangaki inhlanganiso lapho elandela imithetho ehleliweyo?

h) Zikhona yini ezinye izinto ezenziwa yinhlanganiso ekuphathiseni amalunga ayo?

.....

10 Imihlangano eyokufundisa inxenye lezisebenzi zenhlanganiso

a) Yiziphi izifundo osuzitholile kunhlanganiso?

- v) Izifundo zobukhokheli
- vi) Izifundo zeminye imisebenzi
- vii) Ulwazi ngenhlanganiso zokwakha izindlu
- viii) Akula

b) Imihlangano eyokufundisa inxenye zenhlanganiso iqakathekile kakhulu

- v) Ngivumelana lakho kakhulu
- vi) Ngiyavumelana lakho
- vii) Kangilaqiniso

viii)Kangivumelani lakho

- c) Zikhona yini ezinye izinto ezenziwa yinhlanganiso ekuphathiseni izifundo zenhlanganiso?

.....

.....

.....

11 Imbuzo mayelana ngokuzibusa kwenhlanganiso

- a) Ubona engani inhlanganiso iyahlanganyela ekuziphathiseni kwayo?

Ngivumelana lakho kakhulu	Ngiyav umelan a lakho	Kangila qiniso	Kangivu melani lakho	Kangivumelani lakho gotho
------------------------------	-----------------------------	-------------------	----------------------------	------------------------------

- b) Inhlanganiso ikhangelela ngaphi ukuba ithole uxwayiso lokuthatha izigqumo?

- j) Ku-nxenye zenhlanganiso
- jj) Ku-nkokheii zenhlanganiso
- jjj) Ku-Hulumende
- ii) Kulunnga elikhulu lenhlanganiso

12 Ngokubona kwakho inhlanganiso isiphumelele ngaziphi indlela?

.....

.....

.....

13 Yiziphi izihlupho eihlangana lazo njengenhlanganiso

.....

.....

.....

14 Ngombono wakho yikiwini okukhwezelela inhlanganiso kunhlanganiso?

.....
.....
.....
15 Ngokubona kwakho yikuyini okungenziwa ukuthi inhlanganiso yenu isebenze kahle?

.....
.....
.....

Siyabonga kakhulu ngokuphatisa kwakho kulumsebenzi.



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APPENDIX 3: In-depth interview guide

For key informants: members of the executive committee

Questions relating to background of the co-operative

1. May you give a brief history of the co-operative
2. How is the co-operative structured in terms of organisational structure?
3. Does the co-operative adhere to any constitution or by-laws, if so how was it developed?
4. What are the main functions of the housing co-operatives?
5. What are the requirements to be a member of the housing co-operative?

Questions on management and governance

1. How are the members involved in decision-making within the co-operative?
2. Is the co-operative self-reliant and independent in making decisions?
3. What criterion is used to select the Chairperson and committee members?
4. How does the co-operative handle the co-operatives' property?
5. What are the housing co-operatives sources of funding?
6. Who is responsible for managing the co-operatives funds?
7. How are financial decisions such as budgeting, investment and loans made by the co-operative?

Questions on viability

1. In what ways is the housing co-operative promoting development in the community?

2. Do you organise any training programmes for the co-operative staff, management and members, if so in what form?
3. How many members have experience in organising, building, managing and operating a housing co-operative?
4. Does your co-operative engage in any partnerships with other co-operatives, for financial, technical, moral or material support?
5. Is your co-operative part of any body of co-operatives/ does your co-operative have any apex body?
6. To what extent does the co-operative rely on external assistance?
7. Are there any activities which the co-operative engages in which help improve the lives of their members?
8. Has the co-operative so far been able to fulfil its mandate of providing shelter to its members?
9. What are the problems you encounter when carrying out of your duties within the co-operative?
10. What should be the government's role in ensuring housing co-operatives function properly in Zimbabwe?
11. What do you think can be done to reinforce the viability of the housing co-operative, internally and externally?

Thank you very much for your cooperation in this investigation.

APPENDIX 4:

Translated Interview guide: Ndebele

Ukuhluzisa abakhokheli benhlanganiso yokwakha izindlu

Imbali yenhlanganiso

- 1) Ngicela ungichazele imbali yenhlanganiso.
- 2) Inhlanganiso ihlelwe njani ngezikhundla zayo.
- 3) Inhlanganiso iyalandela yini izisekelo zombuso welizwe kumbe wenhlanganiso.
- 4) Imisebenzi wenhlanganiso ngowani.
- 5) Kudingakalani ukuba yinxenye yenhlanganiso.

Imbuzo mayelana ngombuso wenhlanganiso

- 1) Inxenye zenhlanganiso zethula njani izingqumo zenhlanganiso.
- 2) Inhlanganiso le ikusebenzisa njani ukukhululeka lokuzibusa.
- 3) Zikhethe njani iziphathamandla zenhlanganiso.
- 4) Abakhokheli benhlanganiso baphethe njani indleko lempahla yenhlanganiso.
- 5) Inhlanganiso izuza ngaphi usekelo oluphathalene lezemali.
- 6) Inhlanganiso ithatha njani izingqumo oluphathalene lezemali.
- 7) Ngubani ongumpathi intambo ekukhangeleni isikwama senhlanganiso.

Imbuzo yokuphumelela kweNhlanganiso

- 1) Inhlanganiso iphathisa njani ukuphumelela kwesigaba.
- 2) Liyenza yini imihlangano eyokufundisa inxenye lezisebenzi zenhlanganiso.
- 3) Inxenye zenhlanganiso ziyafundela na ukukhokhela inhlanganiso.
- 4) Inhlanganiso izuza izifundo ezimayelana ngani?
- 5) Bangaki abasebenzi lenxeye zomhlangano absebelolwazi lokuhlela, ukwakha lokukhokhela inhlanganiso?
- 6) Inhlanganiso yenu iyabambana lezinye inhlanganiso ekusebenzeni na?
- 7) Inhlanganiso yenu iyinxenye yezinye inhlanganiso na?
- 8) Ngombono wakho, ubona angathi inhlanganiso le iloncedo na, ekuphathiseni amalunga ayo.
- 9) Inhlanganiso iyakhangelela na uncedo oluvela ngaphandle kwamalunga ayo?
- 10) Zikhona yini ezinye izinto ezenziwa yinhlangano ekuphathiseni amalunga ayo.
- 11) Inhlanganiso yenelisile yini ukugcwalisa izingqumo zayo ekuphathiseni amalunga ayo?
- 12) Yiziphi izihlupho eihlangana lazo njengenhlanganiso?
- 13) Ngombono wakho uhulumende angathatha sekelo bani ekuboneni ukuthi inhlanganiso iqhuba isinqumo sayo okugcweleyo?

14)Ngombono wakho ubona angathi kuyini okungenalisa inhlanganiso ukuthi iphumelele?

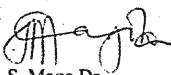
15)Inhlanganiso ingaba lokusebenza okugcweleyo ngaphansi kwezigqumo ezinjani?

Siyabonga kakhulu ngokuphatisa kwakho kulumsebenzi



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APPENDIX 5: Letter of permission to conduct the study

	University of Fort Hare DEVELOPMENT STUDIES DEPARTMENT <i>Alice (main) Campus:</i> Private Bag X 1314, Alice, 5700 Ground Floor, Henderson Hall, Alice, 5700 Tel: +27 (0) 40 602 2562 • Fax: +27 (0) 86 627 4870 Email: cmanyanta@ufh.ac.za / pmonyai@ufh.ac.za	 University of Fort Hare <i>Together in Excellence</i>
	18 April 2011 TO WHOM IT MAY CONCERN RE: REQUEST FOR PERMISSION TO DO RESEARCH This is to certify that Miss Olgah Mabusa is a registered student in the Department of Development studying towards a Masters of Social Science in Development Studies. She is doing a case study as part of the requirements of the qualification and her area of interest is on co-operatives in relation to housing provision. Her research work is under the title, "Assessing the viability of housing co-operatives as agents of shelter provision in Zimbabwe: a case of Emganwini Housing co-operatives in Bulawayo district." As part of the method of data collection Miss Olgah Mabusa needs to conduct interviews with relevant people that can assist with information regarding the issues of this research. She would also need to access your libraries and archives for documentation pertaining to the history and current activities around co-operative efforts in Bulawayo. The research is purely for academic purposes and when the study has been completed a copy of the thesis can be made available to your office/organisation on request. Should you need any details given above please do not hesitate to contact us. We are looking forward to your kind assistance. Yours Faithfully  S. Mago Dr Acting HOD & Supervisor	

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 www.ufh.ac.za

APPENDIX 6:
CONSENT FORM

Research Topic: Assessing the viability of housing co-operatives as agents of shelter provision to low income groups. A case of Emganwini Housing co-operative.

Researcher: Miss Olgah Mabusa

Supervisor: Dr S Mago

I) ----- do hereby confirm
that:

- I have read the attached participation information sheet and fully understand the nature and purpose of the study and hence agree to take part in the study.
- I understand that there will be no financial or material benefits to be gained from taking part in this study.
- I understand that while information from this research may be published, I will not be identified, unless I consent to true identification; besides that my identity should remain confidential.
- I understand that I am free to withdraw from the study at any time.
- I understand that I have the right to access the feedback of the findings of the study.

Signature:

Date: -----/-----/-----

APPENDIX 7: Authorisation to conduct field study



All Communications
to be addressed to the
Town Clerk

Tel: (263-9) 75011
Fax: (263-9) 69701

City of Bulawayo

The Town Clerk's Department
Municipal Buildings
Fife Street
P.O. Box 591
Bulawayo

Our Ref: SCN/BM.N6A/103

12 July 2011

Miss. Olgah Mabusa
27 Denham Paddonhurst
BULAWAYO

Dear Madam



REQUEST TO CARRY OUT RESEARCH AT COUNCIL PREMISES: ASSESSING THE AVAILABILITY OF HOUSING CO-OPERATIVES AGENTS OF SHELTER PROVISION IN ZIMBABWE: A CASE OF EMGANWINI HOUSING CO-OPERATIVES IN BULAWAYO

With reference to your letter (dated 13 March 2011) regarding the above mentioned matter, please note that Council (01 June 2011) has acceded to your request to carry out a research study entitled: *Assessing the availability of housing co-operatives agents of shelter provision in Zimbabwe: A case of Emganwini in Bulawayo*, subject to the following conditions:

1. You should submit a copy of your research findings after such an exercise
2. Council should be indemnified against any accidents/ injury which may occur during this period.

For further details please contact the Director of Housing and Community Services on telephone 75011 extension 2127.

Yours faithfully


TOWN CLERK

Bulawayo Must Live -- Conserve Water