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A comparative analysis of housing institutions: Malawi Housing Corporation and Johannesburg Social Housing Company and their contribution to social integration and affordable housing sector

Khunga, Lusubilo Mwakalagho

2015-05-27
http://hdl.handle.net/10539/17876

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CHAPTER 1: INTRODUCTION, RESEARCH PROBLEM

1.1 INTRODUCTION

This research involves the study of two housing institutions: the Johannesburg Social Housing Company (JOSHCO) and Malawi Housing Corporation (MHC) and their contribution to social integration and affordable housing in Mzuzu and Johannesburg. These cities are densely concentrated with people and are characterised by poor housing, racial tension, social deprivation and spatial inequality (Clapham, 2005). Segregation and spatial inequality are also evident(*ibid*). The two main areas of investigation in this research are: spatial, social and economic disparities of Mzuzu and Johannesburg, and the ability of these rental housing institutions to address these issues.

As publicly funded and mandated social housing institutions, MHC and JOSHCO have the obligation to fulfil the policies of their governments in their respective countries which is to provide affordable housing (Republic of South Africa Social Housing Policy, 2005; Malawi Housing policy, 2008). Addressing issues of housing affordability is of great importance in both Malawi and South Africa due to prevailing socioeconomic factors in these two contexts however, affordability is very complex to define when it comes to housing. For some people all housing is affordable no matter

how expensive it may be while others housing is affordable unless if it is provided for free (Stone, 2010). JOSCHO's mission is to provide quality, affordable and sustainable social housing to people in Johannesburg (JOSHCO, 2012) and MHC's vision to provide for decent and affordable housing to all Malawians (MHC, 2011). In this regard, the research seeks to understand if they are able to fulfil this role.

Furthermore, the research investigates if MHC and JOSCHO as housing institutions have the capacity to integrate people of various backgrounds. In this case social integration includes everyone regardless of their background in a society through provision of equal opportunities (UNRISD, 1994). In rental context therefore integration connotes improving relationships amongst tenants that has diversity within a rental housing area (*ibid*).The research analyses whether JOSHCO and MHC are able to address issues of segregation, spatial inequality and unaffordable rentals in their respective cities and if these issues are addressed similarly or differently by the two housing institutions.

1.2 Rationale of the study

I was motivated to conduct this research because I am in the housing profession and have noted that the two aspects which are being investigated are fundamental to urban dwellers. Mostly before one access accommodation, he or she initially

thinks in terms of accessibility of social or economic services and affordability of accommodation. It is for this reason that this study attempts to evaluate the two housing institutions in terms of how they socially integrate the urban environment and how they contribute to affordable housing in urban areas and whether they are meeting these two aspects to the wide low income community. This study will be a base of enabling me to increase my intellectual horizons and to be exposed to a wide range of viewpoints and information as regard to housing and housing institutions between these two urban areas.

In addition to that, there is an enormous body of literature on rental accommodation, however in Malawi and South Africa as developing countries it has been of less attention mainly because more effort has been centred in policies that promote self-help schemes and incremental housing (Pugh, 1995). For instance Support of self-help and incremental housings schemes in Malawi is seen by government as the most economical way to be ‘seen to be doing something’ about housing the low income earners who form an ever increasing population in these cities (Carr, 1997). Thus within a rental context in these two countries issues of social integration and rental affordability have not been satisfactorily addressed (UNRISD, 1994). As such this study is contributing to filling the gap and to adding to existing

literature in the contribution that the specific housing institutions make in their countries.

1.3 The problem and its context

A significant amount (20-70%) of housing in the cities of the southern region of Africa is in formally built by the low income group (Wakely and Riley, 2011). There are about 1.2 million people living within these settlements in South Africa (Tissington, 2011) and in the northern region of Malawi 44.1% live in informal settlements (Malawi Population and Housing Census, 2008). This shows that conventional or formal housing both for ownership and rental that is available is limited (*ibid*). This brings in an insight that people in the cities of Johannesburg and Mzuzu are finding it difficult to afford decent accommodation for rent (Ngxubaza, 2010).

Often people who cannot afford formal housing options cannot access infrastructure and sanitation hence they compromise their health (Anderson, 2003). In addition to that the marginalised groups in terms of gender, disability, race and ethnicity have not been served satisfactorily to meet their housing needs in the cities (*ibid*). For instance the housing patterns that are observed in Mzuzu and Johannesburg reveals that there is still need for improvement on housing programmes that enhances accessibility to the disabled, the low income group and women(Larsson, 2011).

In addition to that, the legacy left by apartheid in South Africa and colonialism in Malawi aggravated this fragmentation. Apartheid in South Africa left spatial inequalities and segregation along racial lines which widened housing affordability further (Waugh, 1995). Apartheid laws restricted the settlement of black people in urban areas (Influx Control Policy), and maintained racially segregated residential areas through legislation such as the Group Areas Act, 1966 (Liebenberg, 2000). Black people suffered gross inequality in access to social services, resources and economic opportunities since they were forcibly moved far away from sources of employment (*ibid*). Black communities were deliberately underdeveloped, and lacked adequate sanitation, water and refuse removal services as well as decent housing, schools, and clinics (*ibid*).

Historically more land in both of these cities was not planned well such that there are distortions in housing construction and pattern there by affecting accessibility of housing by race and ethnicity (Pugh, 2001). Land allocation both in Malawi and South Africa was largely based on ethnicity such that powerful racial groups accessed most of prime land and housing areas while blacks were forced to access housing and land in peripheral areas (Carr, 1997). By noting some housing pattern in these cities, some groups or classes of people are much better served than others for example the high income groups (*ibid*). Some are reserved

with better services especially those classified as low density areas while other areas classified as high density areas lack better services due to poor spatial planning (Carr, 1997). The better served areas bring in different rental market values which some group residing in the city cannot afford to rent let alone purchase residential properties. As a result, these two cities have a diversity of residents socially and economically.

To this effect, South Africa's urban landscape still suffers from the spatial legacy of Apartheid (South Africa Social Housing Policy, 2005). Many social problems need to be addressed in order to reshape the cities and its housing patterns (Department of Housing, 2008). Consequently this brought about the amendment of the housing policy which was followed by Breaking New Ground (BNG) in 2008. BNG has three key areas of focus which are to enable municipalities to respond to housing demand more effectively, to eradicate informal settlement by promoting in situ upgrading so as to integrate informal areas into the broader urban land use and lastly to promote urban renewal and inner city regeneration to ensure the inclusion of poor urban dweller through delivery of affordable housing in the inner city (Tissington, 2011).

Nevertheless, the vision of Breaking the New Ground (BNG) which is “to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing” (Department of Housing, 2008: 4) has not been satisfactory implemented (Thellane, 2008). Low-income groups are still marginalised to the outskirts of cities (Roux, 2011).

Evidence of high walls, gated communities of high income groups and security estates are the physical expression of further social fragmentation (Vester, undated). The segregated Apartheid city structure has also not changed much since democracy (*ibid*). Most of the poor still live in homogeneous dormitory townships on the urban periphery, and more and more of the wealthy live in gated security estates (Huchzermeyer, 2011).

Similarly, despite having made considerable progress in housing delivery in recent years, Malawi faces numerous challenges to achieve its social integration goals and improve the welfare of its growing population (Nyasulu and Cloete, 2007). Planning standard regulations which notably zone areas into low, medium or high density deter mixing of classes of people with various income capabilities. Consequently the low income group fail to live in planned zones/areas as these areas demand high quality permanent

building structures. The repercussion of this is the development of settlements of formal and informal. The challenge of social integration is observed through the gap that is there between the low density residential areas and the high density residential areas and the formation of different pockets of residential areas that are composed of homogenous social group (Nyasulu and Cloete, 2007).

In Malawi the provision of Traditional Housing Areas (un planned high density locations which contain temporary housing structures, built and occupied by low income groups)through the Traditional housing area policy, allows the low income group to access cheap land for housing and this has encouraged formation of temporary shelters settlements (MNHP, 2008). The result has been an influx of establishment of residential areas for the poor and the rich. MHC as the sole public rental housing institution within Mzuzu is highly constrained when it comes to allocation of houses because it is the only housing institution in Malawi that offers cheap rental accommodation (MHC, 2012).

The promotion of affordable housing and creation of a socially integrated community still remains a challenge to JOSHCO and MHC in their respective cities (UNRISD, 1994). It is something that will take time to be achieved and the

problem areas have been summarised as follows: much as the two housing institutions have a vision and a mission to provide affordable housing however in South Africa context, affordable housing delivery is difficult to implement due to the fact that municipalities are not willing to dispose of their prime land because land for affordable housing to low income people do not bring them more income, most of the remaining land is not suitable for residential purpose or larger scale subsidised housing developments (Thellane, 2008).

In addition to that the BNG policy has failed to accelerate housing delivery (Tissington, 2011), because it does not fully address the key weaknesses of the previous policy direction or offer clear direction on the difficult political issues of land ownership, the land market and rights as majority of households still live in worst housing conditions (*ibid*). Hence the housing backlog is still increasing meaning that demand for subsidised rental housing is more than supply to date and the situation is not improving (*ibid*). Due to these and other factors which will be discussed throughout the research report, JOSHCO cannot meaningfully focus on refurbishing and converting dilapidated buildings to implement its mission of affordable housing delivery.

In the Malawi context, affordable housing provision is affected due to the fact that MHC is the only public housing institution that offers low rental accommodation in Mzuzu therefore the demand is more than the supply of its units as the institution cannot cope to serve the ever increasing accommodation seekers. A further concern is that rent control by government has been a constant threat to the efficient operation of MHC (MHC, 2007). It also undermines MHC's capacity to contribute to affordable housing delivery since in order for MHC to increase its rentals, it has to seek consent from government and the increased rentals must be approved by government as well. Government has powers to demand MHC to lower its rentals without considering financial constraints that MHC has. Thus the MHC operations will continue to be seriously undermined in the area of building more affordable housing units for low income groups in the city. These issues will be explored in more depth in the forthcoming chapters.

1.4 Research question

Johannesburg and Mzuzu suffer from being highly segregated urban environments, in which it is difficult for low income earners to afford formal rental accommodation: Are the MHC and JOSHCO able to address segregation and affordability in their respective cities?

1.5 Sub questions

- Does the housing institution consider issues like disability, race, ethnicity, income and gender in their housing delivery as fundamental in integrating the society?
- How do the housing institutions understand issues of integration?
- What programmes or policies are in place to ensure integration occurs?
- Is the rent charged by the housing institutions affordable for low income households?
- What are the differences and similarities in the two Social Housing Institutions' approach to integration and affordability?

1.6 Outline of the research report

The research is structured into five chapters. The first chapter is composed of the introduction which highlights the research topic and the research problem and questions. It further stipulates the rationale for conducting the study.

Chapter two comprises the methodology section. This chapter discusses how data was collected. It further discusses the

research design of the study. It also gives an insight into the study area, scope of the research and its limitation. In addition to that ethical concerns are highlighted and criterion of analysing data is stated. Lastly the historical back ground of the two institutions: MHC and JOSHCO are outlined.

The third chapter contains a literature review. The review is categorised into three concepts. The first explanation unfolds the meaning of housing and the case study institutions. It shed more light on housing policies guided by the two institutions thus JOSHCO and MHC. The chapter further expound on two other concepts namely affordable housing and social integration. The chapter looks on the target or beneficiaries of public rental housing institutions. The chapter points out low income group as the target for social integration and affordable housing delivery. It further explains the delivery mechanisms of affordable housing in South Africa and Malawi. It also stipulates the social integration as delivery mechanisms in these countries which are members of the United Nations. This chapter has also provided an operation framework of the housing institutions which are housing policies. The chapter captures the guideline and implementation strategy of social housing in South Africa. It further provides guidelines of housing delivery in Malawi.

Chapter four is composed of research findings and discussions. It provides a narrative of the outcomes of the research. The chapter unfolds issues of affordable housing in the context of JOSHCO and MHC. It also assesses cross cutting social integration issues that are contributed by JOSHCO and MHC in their respective localities. The chapter identifies similarities or differences of JOSHCO and MHC in a comparative way.

Chapter five captions a summary of the whole research into themes of social integration and affordable housing as delivered by JOSHCO and MHC in South Africa and Malawi. The chapter further provides recommendation for effective housing delivery as regard to the two concepts and their applicability.

1.7 CONCLUSION

JOSHCO and MHC are state owned rental housing institutions in Johannesburg and Mzuzu. This chapter indicated that these cities are densely concentrated with people and are characterised by poor housing, racial tension, social deprivation and spatial inequality. Notwithstanding segregation and spatial inequality which are also evident. It has been noted that within the rental context in these two countries issues of social integration and rental

affordability have not been satisfactorily addressed despite housing policies in both countries recognising these socioeconomic issues but more so spatial policies left by colonial masters has substantially caused the two cities to be highly segregated urban environments. The chapter highlighted that the rationale for conducting the research is to fill the rental housing literature gap and to add to existing literature in the contribution that the specific housing institutions make in their countries in terms of providing affordable housing and integration of its tenants.

CHAPTER 2: METHODOLOGY

2.1 INTRODUCTION

This section will elucidate on the methods that were utilised to conduct the research during the course of the investigation. The section commences by highlighting the research design. This is followed by an explanation of how data was collected in order to accomplish the research, which is followed by the study area where the research focused. An over view of the two housing institutions under study is also outlined. An insight of research participants is also pointed out. Lastly ethical concerns are stated coupled with the research limitations.

2.2 Research design

As a study that crosses national boundaries, I utilised comparative approach. Comparative research methods have long been used in cross-cultural studies to identify, analyse and explain similarities and differences across societies (Panda, Satyanarayana, and Sharma, 1996). As greater emphasis has been placed on contextualisation, cross-national comparisons have served increasingly as a means of gaining a better understanding of different societies, their structures and institutions (Hantrais, 1995). The comparisons served as a tool for developing classifications of social economic phenomena and for establishing whether

similar social economic phenomena can be explained by the same causes (Hantrais, 1995). Much as JOSHCO and MHC are in different countries, the comparisons bring insights that are of concern in the different countries. Cross-national research gave me the means of finding similarities and differences, not only in the observed housing institutions under study, but also in terms of national socioeconomic status of Malawi and South Africa (*ibid*).

To this effect the cross national research approach involved examining the contributions that JOSHCO and MHC make in their respective cities, by comparing and appreciating their socio cultural settings (Hantrais, 1995).In this research obstacles to successful cross-national comparisons lied in constraints to access comparable secondary data and classifying it to a common base hence it was difficult to compare findings systematically.

2.3 Study area

Johannesburg and Mzuzu were chosen as study sites because I have a sound knowledge and understanding of their national contexts, including socioeconomic and cultural traditions. As I have lived and worked in Mzuzu and studied in Johannesburg as part of my masters course hence I was able to capitalise on my experience and knowledge of the

different context and to compare the two sites. Mzuzu and Johannesburg are located in Southern Africa hence share some similar cultural and social traits and these cities fall in category of developing countries. Urbanisation is taking its toll hence socio economic issues are similar (Waugh, 1995). They are cities struggling with racism and thus issues of segregation spatial, social inequality (Carr, 1997).

Mzuzu has a total population of 1.708.930 (UNHABITAT, 2011). Originating from the Commonwealth Development Corporation's Tung Oil Estate in 1947, the city has grown from 23 square kilo metres to 143.8 square kilometres in 2008 and was declared a municipality in 1980 and a city in 1985 (*ibid*). It has a population density of 2.791 per square kilometre and a growth rate of 4.4 (Population and Housing Census, 2008). There are more than 520 active enterprises according to the Mzuzu city 2008 Business register, 71% are micro and small enterprises, 28% medium, 1.2% large enterprises. In terms of employment, about 19% of the population is employed in private business organisation, 16% in private individual businesses, 23%in the public sector, 20%in self- employment, 22% in farming self- employment. On governance, the Local Authority is headed by the Chief Executive Officer and supported by eight directors of departments (UNHABITAT, 2011). The Council finds its mandate from the Local Government Act of 1998 which empowers it to make policies

and decisions on local governance and development of the city (UNHABITAT, 2011).

The City of Johannesburg was formally established in1886 with the discovery of gold at the Witwatersrand reef. At present, Johannesburg has a total population of 4.434.827 with a population growth rate of 3.18% per annum (Statistic South Africa, 2012). Its population density stands at 2.364 per square kilometre. Unemployment as a percentage of economically active group is currently at 37.4% across the Johannesburg metro (Mosdell, 2004 USE CENSUS DATA FROM 2011). Employed individuals comprise of 62.6%of the economically active population in the city and are redistributed in employment category of personal service, trade, business, manufacturing, construction, transport, mining, agriculture, electric, gas and water and others (*ibid*). Over half (51%) of households in Johannesburg have an income of R1600 per month or less, just over a third (33.4%) have an income of R800 per month with almost 18.5% having no access to income (*ibid*). It must therefore be stated on the outset that these statistics matter substantially; they provide the socioeconomic situation of the areas understudy and will assist in providing recommendable solutions to rental housing problems. In addition to that the statistics makes comparisons and explanations easier since the socioeconomic conditions in the respective cities have been appreciated.

2.4 Background of rental housing institutions

This section highlights the similarities, differences and background of JOSHCO and MHC. The institutions were chosen because they are both public housing institutions managing rental housing accommodation and are both mandated by the state, not private sector and work within the affordable housing market. In addition to that both of the housing institutions are located within the major cities in their respective countries. The following section provides some background about the two organisations and why they are comparable.

2.4.1 JOSCHO

JOSHCO was established as a social housing developer in Johannesburg city. It operates as a non-profit social housing institution. It is owned by the municipality but is governed by an independent board of directors (JOSHCO, 2012). As a housing institution it was mandated to carry out conversion of council owned hostels to family homes, carry out refurbishment of City of Johannesburg owned flats in council estates, development of new units in green field areas and refurbishment of inner city buildings(*ibid*).

So far, the institution has taken on slum clean-ups, building upgrades, conversions and refurbishment as well as

manages rental housing stock (JOSHCO, 2012). It also focuses on rebuilding inner city communities through sustainable housing programmes. These are projects or business operations that reduce the negative impact on the environment thus they aim to conserve the environment. JOSHCO is a registered social housing institution and was established to provide affordable housing options to citizens including families within Johannesburg whose household income met the criteria for state subsidy (JOSHCO, 2009). It therefore provides homes to low income people in the city (*ibid*). As a municipal owned entity JOSHCO is required to comply with all the relevant legislation thus Municipal Financial Management Act, Municipal Systems Act and the Companies Act.

The policies and strategies of JOSHCO are strongly influenced by the vision of the City of Johannesburg (JOSCHO, 2012). The significant legislative framework within which the institution was established emanates from the Social Housing Act 2008. All this provides an insight that JOSHCO was created for service delivery in the field of rental housing and that the stated Acts or frameworks enables the organisation to achieve the objective for which it has been created.

2.4.2 MHC

MHC was established in 1964 by the Malawi Housing Act 1964 (MHC, 2007). It is wholly owned by central government and manages houses and housing estates. It also builds dwelling houses to contribute the improvement or development of housing sector (*ibid*). It is also responsible for acquiring and disposing of interests in movable properties and purchasing, holding, managing, leasing or disposing interest in or attaching land. It also makes loans to people for the construction of houses as well as entering into agreement with contractors or agents for the development, construction, maintenance or supervision of houses or housing estate. It also provides rental accommodation (*ibid*).

In its formative ordinance, MHC was created to be a self-accounting corporate statutory body thus to operate on a viable commercial basis so as to sustain its operations and be able to engage in more housing developments (MHC, 1981). It is controlled by a Board of directors which advises it on the major aspects of the corporation’s work. MHC is an instrument of the Malawi government housing policy. It was mandated to construct and manage housing estates and develop plots (MHC 2011). MHC is therefore a national entity that operates within the four regions of Malawi. However its operations are decentralised such that each region is headed by a Regional manager. In the scope of this study, the focus

is in the northern region of Malawi in the city of Mzuzu and it is the third largest urban centre after Blantyre and Lilongwe City (UNHABITAT, 2011).

As noted from the discussion, these two institutions manifests differences in terms of ownership, much as the deliberation have shown that MHC and JOSHCO are state owned, the former is owned by central government while the latter is owned by local government. The institutions also contrast in their mechanism of delivery. JOSHCO specialises in providing inner city affordable housing for rent while MHC focus on affordable housing delivery for rent in residential land use areas which are outside the inner city. However, much as there are differences, both institutions focus on rental accommodation as their core business.

In this instance JOSHCO eases the financial burdens of its low income tenants who reside in proximity to economic opportunities unlike MHC its low income tenants have to succumb to transport costs hassles and are localised a bit away from the inner city. MHC extends its services to the selling of houses and leases land inform of selling it as plots unlike JOSHCO its services only involves in rental housing. Thus MHC in away gives the public various options, either to rent (tenants entering into tenancy agreement with MHC to occupy MHC houses in return for an agreed monthly

rental payment) or to acquire ownership of property when there is an exercise of disposing off houses through house sale programmes. Securing tenure by owning a house is very fundamental to the tenants unlike renting as property still remains that of the housing institution.

The similarities of the institutions are drawn from the target group or the nature of its tenants. As noted, both JOSHCO and MHC aim to assist the low income group to have decent housing in urban area of their context. Furthermore the institutions are governed by Board of directors who make structures and policies and enable the institutions to be transparent and accountable since they are public entities and who are accountable to government.

Lastly the similarity is in the fact that the housing institutions provide rental housing and it is their core business. The similarities are as such because these housing institutions are set up by government in developing countries through housing Acts hence most of the housing needs and problems in developing nations are similar while the differences arise due to operation strategies which are established according to the prevailing social economic situation in the respective housing institutions.

2.5 Data collection

This study used a qualitative research design to provide a more comprehensive picture of each aspect of the research (Denzin, Norman, Lincoln, Yvonna, 1994). Debate on qualitative versus quantitative research is on-going. Qualitative research is often compared and contrasted to quantitative research. According to Panda *et al*, (1996) both qualitative and quantitative approaches have made significant contribution to research but it is the qualitative type that can elaborate more into the housing institution's contribution to affordable housing and social integration because this method is well suited for studies that seek to identify and explain results that enables to test the feasibility of undertaking a more extensive study (Maxwell, 2012).

Data was collected by sending emails to the research participants due to the fact that I was constrained by distance, I was in Johannesburg and my respondents were based in Malawi. Apart from that the respondents in Johannesburg preferred a questionnaire than interview. Due to the nature of the research topic, it was considered that a snowball technique should be utilised to identify respondents that are difficult to locate. Hence I used one respondent I knew to enable me to identify other suitable respondents in the housing institutions (O'Leary, 2004). In this regard eight senior officers were questioned to

supplement within-depth housing institution data (reports and documents of the housing institution themselves), four from MHC (Malawi) and four from JOSHCO (South Africa). Desktop research data was highly favoured as a means of collecting secondary data (Yin, 2011). The secondary data in this case refers to data written by various stakeholders except the housing institution understudy.

The research examined a set of key concepts: social integration and affordable housing. From these concepts emanated the research questions and it was from the research questions that the questionnaire was based and can be referred in the Appendix section. Questions were structured to encourage research participants to focus on these specific themes. The questionnaire included close and open-ended questions (Morgan and Signorielli, 1990). The open ended questions were included so that respondents could elaborate their responses further. The same questionnaire was both used at JOSHCO and MHC respectively.

Information from the respondents was collected using a questionnaire. Collection of data took over two months from 23 October 2013 to 12 December 2013. When a questionnaire was sent responses were received through email between one to three weeks from the date the questionnaire was issued. Some lasted as long as five weeks. All respondents were

notified about the questionnaire prior to sending it and informed consent was obtained prior to sending the questionnaire. The questionnaires were sent using e-mail. The main aim of using e-mail as a research tool is that mail questionnaires cost considerably less to administer, because the researcher builds a close relationship with the respondents hence future clarifications on the research can be enquired easily without necessarily physically visiting the respondent (Selwyn and Robson, 1998).

However, this speed may compromise its effectiveness as a research tool as Thach (1995) argues; e-mail messages can be deleted as quickly as they were sent and unlike the standard mail questionnaire or interview the respondent can discard mail at the touch of a button. Apart from that using e-mail is the extremely self-selective and is limited to those individuals with access to a computer. Anonymity is null in this mode of research tools, as Thach (1995) points out, this lack of anonymity does not preclude the researcher still guaranteeing the respondent confidentiality, the validity of the e-mail questionnaire is compromised in this way.

Nevertheless, questionnaires were responded by six professional people, thus out of eight invitations to participate in the research, only six responded positively.

This did not affect the validity of the research answers since those involved are personnel with vast knowledge in their respective housing institutions. The respondents responded the questionnaires based in their area of expertise, thus from property development/management, marketing, projects, survey and administration departments. Since the study is a comparative analysis, the respondents were specifically interviewed in relation to their context, thus those in Malawi were to respond issues pertaining to MHC only and the same for those in South Africa, they responded to issues of JOSHCO.

PARTICIPANTS	FIELD OF EXPERIENCE	HOUSING INSTITUTION
Acting Director of technical services	Quantity survey and projects management	MHC
Estates management officer	Property management	MHC
Senior Administrative officer	Human resources and administration	MHC
Project planner	Housing development	JOSHCO
Housing portfolio officer	Housing management	JOSHCO
Communications and marketing officer	Marketing and administration	JOSHCO

The research also utilised a close reading of the institutions' documents which were however collected differently; those for JOSHCO were collected by the researcher herself physically while those for MHC were collected by mail. It must be noted also that other documents were downloaded from internet.

In a nut shell the researcher collected the following documents:

- Malawi national housing policy 2008,
- MHC Housing Act 1964,
- MHC Annual Budget 2012/2013,
- MHC strategic plan 2007,
- MHC Annual report 2011,
- MHC Annual report 2012,
- MHC Social Economic Profile (Housing),(undated)
- MHC Housing Allocation procedures,1981
- MHC property Register,(undated)
- South Africa Social Housing Policy 2005,
- JOSHCO Housing portfolio 2010/2011,
- JOSHCO growth and development 2040,
- JOSHCO Inner City Projects Portfolio 2010/2011,
- JOSHCO Annual report 2012,
- JOSHCO Annual report 2011,
- JOSHCO Annual report 2009,
- JOSHCO Customer satisfaction survey2007.

As stipulated earlier apart from primary data produced by the institutions, secondary data was also utilised to complement the primary data. Furthermore secondary data was used to review literature of the topic understudy. A significant amount of this data was obtained from scholarly articles and books from the internet. These will be explored

and reviewed in the next chapter but were served to add and elaborate further research information.

2.6 Data analysis

Content analysis was used to analyse the data obtained. This technique was used to determine concepts and themes within the texts. The texts that were analysed included the following: reports, documents, grey literature, and questionnaires (Yin, 2011). The texts were coded into categories of content and themes as such were examined using content analysis. When using content analysis a concept is chosen for examination and the number of its occurrence within the text was recorded, analysed and interpreted (*ibid*).

Content analysis was utilised because of its capability to reveal differences in communication content, it looks direct at communication through texts or transcripts, hence gets at the central aspect of social interaction (Bernard, 1952).It also provides historical/cultural insights overtime through analysis of texts(Bernard, 1952). Constraints of applying this method included difficulty to automate or computerised at a and the method is extremely time consuming thus it takes time to realign same data in the computer since respondents tend to mix issues as they respond (Busch *et al* 1994). Data source triangulation was used for crosschecking

and verification of data through the use of different information sources like from related literature such as housing policies (Denzin, 1978). This also gave more insights into the study topic and more comprehensive data was obtained (Patton, 1999).

2.7 Research scope and Limitations

The scope of the study dwelt on comparing cross cutting issues in terms of housing institution operations, programmes, issues of gender, disability, race and ethnicity, housing construction, design and amenities and facilities. The research methodology utilised was drawn from a qualitative approach. This approach had constraints since raw data utilised had to be interpreted according to context as the housing institutions that were compared are from different countries.

The research was limited to city location context. It was a study of state owned housing institutions which are in different countries. Most of the literature on the research topic had been produced by the housing institution themselves with only a few emanating from other sources as such I could not get any critical pieces relating to the housing institutions' data and so had to rely on a limited data set. For certain topics, information was non-existent,

old or limited as stakeholders regarded some particular information as not a priority.

As a person in the housing sector, my knowledge has been limited to management of the residential properties hence the concepts of affordability and social integration are new to me such that it took a bit of time for me to deduce and decipher the concepts. In addition to that the study involved interacting and interfacing with foreign employees who formed part of research participants hence it took time to build trust and be confided relevant research information. However in order to be trusted I was transparent throughout in all our correspondences.

Despite the foregoing, the research still stands as a relevant piece. It is a study that tries to bring to the attention socio economic issues that can be addressed by the housing institutions in their respective context. Apart from that the research is drawn from government accredited housing institutions which has well experienced staff that is conversant with the concepts that the research has focused on. As such information that has been given is credible and relevant.

2.8 Ethical concerns

Ethical concerns addressed in this study were that of preventing plagiarism on my research. Utmost caution was made that references must not be omitted, or direct quotes

of authors must not be omitted. In addition to that the views and comments and all relevant data given by the six professionals who provided with other information relating to the topic were respected and treated confidentially where requested. Apart from that participation was entirely voluntary and names and personal details were kept confidential in this final report if requested by research participant. In addition to that all these assurances were told to the research participants both in verbal and writing. The researcher works with MHC however even though is a government official the research will not be biased because it will rely on views from questionnaires and genuine data reports from MHC.

2.9 CONCLUSION

A comparative strategy was used coupled with a content analysis of data. Data was collected using secondary literature, and by sending questionnaires to research participants using email. Research participants were drawn from the housing institutions and were senior employees in the institutions. The research faced limitation due to the study concepts utilised in the study which the researcher is not familiar. The researcher up held utmost confidentiality in dealing with the research findings in addressing ethical concerns.

CHAPTER 3: LITERATURE REVIEW

3.1 INTRODUCTION

This chapter will review some of the key concepts used in the study. In order to gain a clear understanding of the research topic, housing, housing affordability and social integration will be reviewed. This will be followed by defining clearly and classifying the concepts in the South African and Malawian context. Furthermore in this chapter, there will be a discussion of the prevailing affordable housing programmes and delivery in Malawi and South Africa. The concepts of affordability and social integration will be highlighted to gain an understanding on how they are being contributed in the different national housing environments. These conceptual approaches will be used to assess the MHC and JOSHCO in further chapters when comparing MHC and JOSHCO housing institutions and its approaches to development.

3.2 Understanding the Definition of housing

Housing can be defined as residential environment, neighbourhood or the physical structure that humans uses for shelter and the environs of that structure including all necessary services, facilities, equipment and devices needed for the physical health and social wellbeing of the family and the individual (Clapham, 2005). Thus housing connotes not only as shelter but also as a provision of basic

infrastructure and services such as portable water; sanitation, drainage, access roads/footpaths and public services (MNHP, 2008). Housing encompasses all the auxiliary services and community facilities which are necessary to human wellbeing. Therefore community facilities, social amenities and services form an integral part of the housing concept and should receive equal attention to the housing unit itself (Clapham, 2005).

Housing can be rented or owned, formal or informal. Housing serves as the area where the individual becomes capable of experiencing community and privacy, social wellbeing, and shelter and protection against hostile physical forces and disturbances (Kellett and Moore, 2003). On the other hand housing serves as the area where social relationship and services are accessible, such as places for education, recreation, sports, social welfare shopping and transportation (*ibid*). Thus the purpose of a housing unit is to provide the occupants with shelter and will meet the natural, physical, mental and social needs of the occupants (Sithole, 1998). Furthermore, housing must be viewed as an activity rather than as a product or commodity because when viewed as an activity it is defined in a broad sense, it is not only limited to the structure itself but also encompasses social and economic issues such as sanitation and income (Turner, 1972). Some of the benefits that are

attached to housing include financial security, sanitation, social status and accessibility (Chambers, 1995).

On the other hand, to bolster up the meaning of housing the concept of home need to be alluded. Home is a concept that enables an understanding of the significance of housing environment and it involves social and psychological as well as physical meaning (Benjamin and Stea, 1995).Thus it can be argued that housing cannot only be understood in terms of design or social factors only. Dimensions of meaning regarding concept of home are as follows: it is a sense of belonging, love and togetherness, where there is family relationships affection and security (Kellett and Moore, 2003). It is also a social network including relationships amongst friends, neighbours and the community (*ibid*). It is a place of private and refuge where one gets away from outside pressure, have a chance to be alone, and have rest, peace and security. It can be a place you can return to like a home town, or a family homestead or where one grew up or where parents live or familiar surroundings (Hayward, 1977).

Lastly a home can be a physical structure or a housing environment and includes meanings such as a room, an apartment, a house, a building, architectural design, a neighbourhood, and amount of space in and around a dwelling house (Hayward, 1977). This reveals that housing refers to

different meaning and has many attributes. My study shall refer to housing in the context of formal housing institutions hence informal housing will be excluded from this discussion. As such it is important to emphasize at the outset that this discussion on housing will bring more insights on political, economic, social and technical systems applied by the housing institutions in their context. In addition issues of home have been discussed to give a clear meaning in rental context that housing can also be defined in terms of individual perceptions and feelings hence can be individually or socially constructed.

3.3 Housing institution: definitions and functions

The term institution refers to many different types of entities including both organisation and rules used to structure patterns of interaction within and across organisations (Ostrom, 2005). In South African context housing institution refers to a legal entity established with the primary objective developing and managing housing stock that has been funded through grant programmes and the housing stocks can be owned by a housing institution or collectively by groups of residents (SSHP, 2005). In Malawi context housing institution refers to any housing entity that is legally established and owns, manages or develops rental housing for accommodation (MNHP, 2008).

However my study will concentrate only on housing institutions which are government institutions and offer

accommodation to low income people. My research will analyse how the housing institutions contribute to social integration and affordable housing. It must further be noted that housing institution refers to any public, association, company, corporation or agency which provides rented housing for profit or non-profit basis and are mandated legally through housing acts (UNHABITAT, 2004).

Most countries in developing countries are aware of housing needs and problems and have set up planning machinery to cope with them by developing housing institutions at various levels within their governmental organisation structure (Pugh, 1994). Most of these developing nations have state policies relating to housing situation in their context (Buckley and Kalarickal 2005). Developing nations have learnt that the provision of decent housing for all urban dwellers cannot be left to the play of market forces alone Pugh, 1995). Whereas few high income households have no problem in obtaining comfortable homes, the majority of families in the cities of developing countries go without adequate shelter and related facilities (UNHABITAT, 2004).

The governments of developing countries have therefore found it necessary to intervene in the production and supply of housing for their population in a number of ways including through the provision or subsidisation of rental housing

(Department of Human Settlement, 2009). There is a lack of rental accommodation for low income earners mainly because rental housing has historically remained a neglected area of national housing policies in developing countries where policy has mainly focused on home ownership since running and managing rental social housing is costly while revenue is minimal (Stern, 1990). Furthermore, substantially more effort has been applied in promoting housing finance systems for homeownership (Angel, 2000). As such there are still large numbers of low income households living in inadequate houses (UNHABITAT, 2004). It is because of the stipulated reasons that governments need to intervene to promote renting as a fundamental component of a balanced housing system. Rental housing is important in developing countries like Malawi and South Africa because it provides well managed quality rental housing options for the poor and it reduces the demand of accommodation in the city. Furthermore rental housing in these countries enhances social, physical and economic integration of housing development into existing areas in urban areas and it provides quality living environments for low income group South Africa Government (SASHP, 2005).

There are distinct housing institutions which provide rental accommodation, generally referred to as Social Housing Institutions or SHI’s. Some operate on private basis while others are on social basis and are commonly known as public

institutions (UNHABITAT, 2011). Social housing is a particular approach to affordable housing whose core intention is to provide low to moderate income households with an affordable housing option (SALGA, 2007). In South Africa, Social housing is aimed at low households earning R1.500 to R7.500 per month (*ibid*).The main purpose of social housing in South Africa is to restructure urban areas and not mass delivery of housing units and it aims to correct the legacy of improper town planning under the apartheid regime and to create a socially, racially and economically integrated society (*ibid*).

In Malawi social housing is not well developed, it is only the MHC that is currently operating nationwide to provide housing however, there is potential that there will be an upsurge of social housing in due course as stipulated in the National housing policy. Furthermore, social housing has been attempted by government inform of a village housing scheme where subsidised decent accommodation is provided to families who raise orphans (MNHP, 2008). Consequently, the policies to be reviewed in this study are the international response to the call for and recognition of the need for social rental housing in South Africa and Malawi.

3.4 HOUSING FRAMEWORKS IN SOUTH AFRICA AND MALAWI

The objective of this section is to bring an understanding of the housing frameworks that shape the housing institution under study. The section outlines the social housing policy of South Africa on which JOSHCO bases its guidelines. The same for Malawi, the housing policy is the guideline for housing issues and it is where MHC bases its guideline. In a nutshell, these two housing frameworks provide the basis for tackling human settlements and providing affordable housing and a socially integrated community in the housing estates.

3.4.1 Social Housing Policy - South Africa

The South Africa Social housing policy promulgated in 2005 emanates from the Breaking New Ground policy of 2004 (Tissington, 2011). It generally reinforces the vision of the Department of Housing to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing (Department of Housing, 2004). Prior to 2004, social housing policy was created specifically to focus on social housing issues and to endeavour promote a coordinated and guidelines for managing social housing institutions in South Africa (SASHP, 2005). There was a new focus and attention to social housing due to the failure of mass housing programme by the Reconstruction and Development Programme (RDP) which had numerous challenges in terms of - administration and

implementation hence failed to correct the housing problems created by apartheid policy which involved the forced removal of black populations both in urban and rural areas from agricultural and economic prime land areas. This later resulted in the creation of settlements based on race (Bond and Tait, 1997).

It was further noted that social housing was a better mechanism than mass housing delivery of RDP since it is a shift from provision of housing to the creation of sustainable human settlements which promotes spatial restructuring, integrating the excludes groups in the city and promotion of housing that has good infrastructures and services in all municipalities (Tomlinson, 2001). Specifically the South African Social Housing policy looks at the following: It focuses on social housing investment in designated restructuring zones (SASHP, 2005). It targets low income beneficiaries by providing project housing delivery. This is rental housing provided by government housing institutions. The projects are delivered by the agents in social housing thereby promoting easy auditing, transparency and accountability which lacked in RDP housing projects (*ibid*). It promotes a concept of subsidizing accredited projects to act as an innovative mechanism to gear in private sector delivery capacity and minimize the market distortion associated with large capital grants (SASHP, 2005). The policy also promotes decentralisation of housing

delivery at a local level whereby social housing institutions are governed and guided by municipalities. The SSHP also acts as a regulatory framework built mainly around the ideas of accreditation and performance and compliance monitoring (SASHP, 2005). In a nutshell it can argued that the social housing policy in south Africa recognises that good housing is essential for human dignity and self-fulfilment such that major features of the policy includes using social housing to widen the range of housing options for the poor and lastly to structure the South African society by addressing structural, economic, spatial problems that which were furthering segregation by promoting inner city restricting housing programmes (*ibid*).

3.4.2 Housing Policy - Malawi

Before 2007, Malawi did not have a housing policy direction as regard to housing. Previously housing a housing policy guidelines were derived from the Statement of Development Policy that guided on provision of housing for public servants. However the statement of Development policy did not address the housing needs of the population more comprehensively (Thompson and Agar, 2009). The first Housing Policy was drafted in 1996 and approved by cabinet in 2001 but it was never implemented (*ibid*). A new housing policy was prepared in 2007. The policy has specific policy goals namely: to enable access to housing by the low income groups, to improve Urban Land Markets by enabling all income

groups to access land for housing through creation dynamic, efficient and equitable urban land market (MNHP, 2008). To improve access to finance by all households and to encourage local government to stimulate its stakeholders to engage in infrastructure development, thus decentralising housing delivery, to upgrade informal settlements so as to improve the living conditions in existing informal settlements in urban and rural area (*ibid*). To promote social and employer housing so as to accommodate employees and the low income group housing needs and to ensure sustainability of housing programmes and to empower local community in housing programmes and lastly to enable the development of traditional housing areas so as to ensure that adequate planned plots with basic services are made available for low income group (*ibid*).

The Malawi Housing Policy highlights urban centres as having the greatest urban housing needs and mandates the Malawi Housing Corporation (MHC) as the only housing agent of government for provision of housing to the low income groups in both urban and rural areas (Nyasulu and Cloete, 2007). As a housing institution MHC has the responsibility to build houses to contribute to housing stock but also to engage in land development to enable the private sector and individuals to build houses and meet demand or cost for housing for low income group. More so the policy now recognises various approaches in housing provision (Nyasulu and Cloete, 2007).

This section has outlined at a very high level the social housing policies applicable in Malawi and South Africa. By scrutinising the two policies, there is a similarity in terms of approach to housing delivery. Both policies recognise decentralisation as an approach that is viable at local level. This approach entails giving powers the municipalities to take part is the implementation of housing. The policies further points out that provision of affordable decent housing and incorporation of social dimension in the housing delivery is ideal. In both policies the low income group are centrally focused by government. Nevertheless there are some contrasts in some of the features and objectives of the two policies due to the fact that the context to which the policies addresses are different.

3.5 A REVIEW ON HOUSING AFFORDABILITY

This section seeks to increase the awareness of housing affordability and its meaning. Later on the concept is then set into the context of Malawi and South Africa. There have been numerous studies on affordable housing and on social housing (UNECE, 2006) but specific research on the extent to which JOSHCO and MHC contribute to affordable housing is limited or non-existent at all. Affordability is often expressed in terms of ‘affordable housing’ but affordability is not a characteristic of housing: it is a relationship

between housing and people (Stone, 2010). For some people all housing is affordable, no matter how expensive it may be because they earn a high income as an individual or as a household while for others no housing is affordable unless it is free. Although the term still lacks precise and consistent definition, the term has achieved international stature and it typically encompasses not only social housing and low income housing but also financially assisted housing for households that find it difficult to purchase houses in the private speculative market (*ibid*).

In practice there are different approaches to defining housing affordability: others define it in relation to house price or costs and household income thus minimum income required to meet non housing needs at a basic level after paying for housing (Stone, 2010). Others refer to it as whatever individual households are willing to choose or to spend. Thirdly it can be defined in terms of family budget thus monetary standards based on aggregate housing expenditure patterns (*ibid*). Housing affordability can also mean the actual housing cost in relation to income thus the cost that a mortgage buyer will pay to purchase a house within a local housing market in which one is residing (Zhang *et al* 2011).

Furthermore affordable housing could also pertain to those units built for the poor or low income social stratum by non- governmental organisation not for profit providers (Zhang *et al* 2011). Thus depending on context meaning and usage of the concept, affordable housing is subject to be interpreted in different ways as discussed above. For the purpose of this research and extracted from a range of sources, affordable housing shall mean low cost housing provided at below market price and allocated on the basis of need to people in the (low income group) who live in urban areas but are unable to purchase or rent houses generally available on the open market (Olokun, 2007). These houses can be built, bought or rented by the said group and are accessible through government interventions. As such this research dwells on housing affordability specifically on rental accommodation.

Another linked concept with affordability is income. Income is the consumption and saving opportunities grounded by an entity within a specified timeframe which is generally expressed in monetary terms. In many households income is understood as the sum of all the wages, salaries, profits, interest payments, rents and other forms of earnings received in a given period of time (Gastwirth, 1971). Income in housing is a primary factor that determines housing affordability. This means that there can be a variety of housing options for rent or ownership but if the ability

(income) to purchase is not there then housing is rendered as unaffordable. In market economy the distribution of income is the key determinant of the quantity and quality of housing obtained (Okulun, 2007). This curtails that when income is not evenly distributed the gap between the poor and the rich is high in terms of possession of quality housing properties for rent and more so the ability to purchase more properties is reduced or increased depending of income. Therefore understanding affordable housing challenges requires understanding trends and disparities in income and wealth (Chambers, 1995).Thus income inequality portrays the extent to which income is distributed in uneven manner within society.

The income group that this research is focused on are those that earn their living through formal livelihood which is formal employment or formal business. In addition to that these low income groups are families which do not earn enough to cover the cost of such necessities as housing and struggles to pay for their family's basic needs (Zidlewski*et al*, 2008). This is because mostly low income workers' jobs do not provide more benefits and their wage tend to remain constant confronting the financial realities facing low income groups. Based on the literature and discussion above, housing affordability has been recognised as an effective instrument to achieve meaningful housing delivery. However

to attain this end, issues of income needs to be taken into account.

3.5.1 Housing Affordability in the South African context

In the South African context, housing affordability will be looked inform of housing microfinance and the rental housing. There are an estimated fifteen million people living informally in cities and towns in South Africa coupled by huge inequalities in housing provision across the country symbolising how majority of citizens fail to afford housing (Bolnick and Mitlin, undated). It is estimated that between 10% and 33% of all microfinance in South Africa is applied to housing implying that housing related microfinance portfolio is up to R10.7 billion (Gardner, 2008) this shows that housing remains a fundamental issue to people.

Housing microfinance still remains an affordable option to promote home improvements and this is fundamental to beneficiaries of housing subsidy which composes around 2-3 million households (Daphnis and Ferguson, 2004). As such housing microfinance is viewed as an important tool for facilitating access to affordable and appropriate shelter for low income households by government (Daphnis and Ferguson, 2004).

Furthermore, there are subsidy interventions put in place by government through *Breaking New Ground* and the private sector intervention of the Financial Sector Charter to create an enabling environment of affordability in South African context (Daphnis and Ferguson, 2004). The South Africa government has endeavoured to tackle this challenge by establishing housing subsidies for low income groups. There is a national housing subsidy programming running to date known as Reconstruction and Development Programme which targets households earning R3500 a month (Tomlison, 1999). Apart from that government established National Housing Finance Corporation and Rural Housing Loan Fund to provide institutions with housing loans. These are government interventions intended to create affordable housing to the poor families (*ibid*).

Despite government interventions, there is still a challenge of affordability since the country has a market gap of an income group that are not eligible for a subsidy because they earn too much but in reality the group cannot access the cheapest houses on the open market (Moss, 2003). The cheapest newly built house is about R250 000, affordable at current rates to households with an income of about R8000-R10000 per month *(ibid*). In order to ease that, the challenge, the Finance Linked Individual Subsidy Programme (FLISP) which was introduced for households earning between

R3501-R1500000 to obtain mortgage loan at bank by giving them a once off capital contribution of between R870000-R100000 (Gardner, 2008).

It can therefore be argued that South Africa has indeed a unique arrangement as regard to housing finance subsidies because of the various categories which are attached to the subsidy programmes. The programmes have been designed in such a way that theoretically everyone in South Africa has a chance of having a decent and affordable house whether it is by renting or purchasing the houses. The subsidy programme has to a large extent benefited the masses. It has transformed the lives of many people who could have not at all in their lives own houses (Rust, 2007). It is a tool for livelihood and security to many South Africans (*ibid*). Despite the challenges the program is still making a great impact to the people. It is an effective instrument for redistributing income and also improves people's ability to pay for housing (*ibid)*.

Despite there being a number of subsidies in place, many people still live in informal settlements and there are still numerous people who rent informally about 1.2 million (Tissington, 2011). Rentals in South Africa have reached an average of R5.172 per month with medium-sized houses reaching an average price of R975.000

(http//www.payprop.com, n.d). As noted, household income has not matched with growing house prices and this has affected homeownership by many South Africans. In view of this affordability can be argued as one of the main constraints to the fully functioning housing market in South Africa (Rust, 2007). It is for this reason that rental housing has been taken as a mechanism of promoting decent housing by government so as to supplement homeownership mechanisms which to some point faces constraints.

In South Africa, formal rental housing is basically meant for people who are employed in one way or the other and have a steady income (SALGA, 2007). As such affordability is intended to be achieved through social housing or cooperatives (UNHABITAT, 2011). Social housing is an approach to affordable housing provision to low and medium income group so that this group can have options of affordable housing (SALGA, 2007). It is difficult to define how much is an affordable rent since social housing differs in context but the rent which is officially recognised by the state as low income earning ranges between R1500-R7500 per month (*ibid*). Theoretically through social housing, low income households have a wide range of rental housing options which are attached with social support systems, mobility patterns, access to jobs and public services and infrastructure (UNHABITAT, 2011).However as will be

demonstrated there are some questions around how this policy is implemented in practise.

3.5.2 Housing Affordability in the Malawian context

Malawi's growing populations and rapid rate of urbanisation is placing substantial pressure on housing especially amongst the low income group (Thompson and Agar, 2009). The key challenge for lower income households to access decent accommodation are two- folds: lack of affordable, good quality housing stock and high cost and inaccessible housing finances (*ibid*). To secure a housing finance is a challenge because a lot of financial institutions demand collateral for one to qualify for a loan. As a result many people fund housing construction incrementally through savings or by using funds received through other type of loans available to them such as small business or personal loans (Ilberg, 2009). Hence rental housing provides accommodation to those who cannot afford to build houses for themselves.

Housing finance in Malawi is highly undeveloped especially for lower income borrowers and there are few formal mechanisms to fill the housing finance gap. While 800,000 people have borrowed from micro-finance agencies for enterprise investments, there is little finance available for housing (Manda, Nkhoma and Mitlin 2011). Nevertheless, loans for home construction are available in Malawi from

government, NGO, non -bank lenders, and banks. Some are for home improvements and refurbishment.

The private sector banks are providing housing loans through micro finance, however the main providers of loans charge high interest rates on a base lending rate of 38-40% which are beyond the reach of the majority of Malawians which are in low income group, (Thompson and Agar, 2009). As a result people opt to build on their own little by little and 90 per cent of houses are self-built. This means that there is shortage of affordable housing for low income people. The repercussion is that due to supply constraints of affordable housing there is rapid property rises and further driving away of poor from affordable housing (Ilberg, 2009).MHC is the only rental housing company that is providing housing that at least the low income can afford.

It is difficult to access mortgage loans in Malawi by the low income groups normally these groups join low cost housing schemes provided by the Non -Governmental Organisation or build their own houses. Planning restrictions and development control on the development of formal houses render the costs of formal house construction very high, causing most people to resort to the informal sector where they construct non-permanent houses (Nyasulu and Cloete, 2005). In Malawi, despite several attempts by government to address this situation, there are no approaches that have gone to scale and hundreds of thousands

remain in need (Manda *et al* 2011). Furthermore, much of the construction sector is eager to build properties but their efforts are hindered by escalating building costs and if they excel in property development their product turn out to be expensive there by side-lining the concept of housing affordability for the majority of Malawians (*ibid*).

Overall government intervention into housing microfinance/ subsidy is minimal but what they have done is to enable civil servants to acquire the home ownership through a set of schemes such as home ownership scheme but as yet this has not yielded significant results. The government home ownership scheme was originally introduced to finance the purchase of houses owned by Malawi Housing Corporation for its public servants, building and buying houses privately is also possible on this scheme. This is a considerable subsidy compared to base lending rate which stands between 38-40% in 2013. In many cases, non-governmental organisations target the poor to assist them to purchase or own affordable houses for instance the Centre for Community Organisation and Development (CCODE) offer loans to community members to reimburse the construction of their homes (Thompson and Agar, 2009).

In an attempt to narrow the widening group of those able and not able to access housing the Malawi government decided to concentrate on the development of Traditional Housing Area

units in most urban and district centres (MNHP, 2008). Traditional Housing Areas (THA) is officially designated neighbourhoods in Malawi which provides serviced plots and also allows traditional construction techniques. Small scale construction using traditional methods such as sun-dried soil bricks (and without development permission) is legal outside of planning areas (areas designated by Town Planning Authorities as ideal for the development of permanent building structures). In this area construction of buildings with temporary material like sun dried soil bricks are permitted (Ilberg, 2009). Traditional Housing Areas (THA) are derived from a traditional housing policy in place from the 1950's which required provision of minimum services for people to build their houses. THA's were formerly owned by MHC now governed by local authorities (MNHP, 2008). THA are seen as successful by government in providing options for affordable housing despite not meeting demand and several constraints in their management. However the THA are only limited to ownership there have been no attempts by MHC to provide rental housing in these THA's. THA provides people in urban areas with affordable housing outside the property market for the lowest income earners since land price is high in cities. Furthermore some low income people are able to rent at an affordable price from private landlords using their meagre income (Ilberg, 2009).

Due to limited access of housing microfinance, rental housing is regarded by government as an option for promotion of affordable housing to Malawians. The government has endeavoured to promote rental housing in four regions of the country through its statutory body, the Malawi Housing Corporation (MHC). The MHC is a nationwide public housing institution which not only provides accommodation to city dwellers, but its rental housing options extends further outside city boundaries. MHC is playing a significant role in providing houses which are the fundamental social need for Malawians. MHC continues to build nationwide new houses for accommodation as per the mandate of its existence which to date has over 7000 units nationwide. Estates owned by MHC emerge with better house designs and good infrastructure which the low income group are able to access. As such MHC stands as a key component low-income rental housing delivery in Malawi.

To this effect in Malawi the affordable rental housing is seen from the perspective of public housing provided by government. Currently, there is no clear indication on how much one needs to earn to be in this market but according to house allocation procedures, the houses are meant for civil servants who are major tenants or occupants of these houses and partly the general public in the low income group (MHC, 1981). Hence housing entitlement to civil servants is based on grade of salary scale while housing entitlement to

general public is based on assessment criterion of house allocation committee designated in the housing institutions.

In summary, it has been noted that housing affordability in Malawi and South Africa is looked in terms of housing microfinance and in social rental housing. The idea is that if people fail to own a house, at least they should be able to rent one. It has been noted that in both countries, housing micro financing is done by the banks despite the existence of some financial lending institution, however the low income do not qualify mostly. In South Africa context there are subsidies which enable people to acquire loans unlike in Malawi where such arrangements do not exists hence the low income group find alternative ways to build houses of their own. Lastly the two nations enhance affordability through rental housing to house the low income group.

3.6 A REVIEW ON SOCIAL INTEGRATION

The second dimension of analysis is that of social integration. There are different ways of defining social integration concept (Verster, undated). It can be considered at a very high level as an inclusionary goal, implying equal opportunities, and right for all human beings (*ibid*). In this case integration implies improving human rights like the right to decent housing and establishing patterns of human relations in a society that has diversity. On the

other hand, the United Nations Research Institute for Social Development (1994), subsumes social integration in its synthesis of peace, security, development, human rights as it overcomes exclusion, promotes inclusive institutions and participation so as to deal with segregation and discrimination.

It is argued that inequality and segregation are mainly effects of failure to handle social integration (Carr, 1997). A socially fragmented area does not compose people of distinct status like both the low income and high income. Social integration in its essence is fundamental in bringing together people in an area prone to inequality, discrimination or segregation. In this study society refers to group of tenants residing in the housing institutions (UNDESA, 2007). Successful social integration process by housing institutions encourages acceptance and tolerance amongst the tenant society while maintaining their differences so as to promote coexistence and social relations (UNRISD, 1994). As such in the housing institutions all people are accepted as tenants while respecting their differences in terms of ideas, opinions and skills, gender, race or income (Srole, 1956).

A concept that relates to social integration is social inclusion because by including everyone in society

uniformity and unity is achieved (Hilary, 2010). An inclusive society is one that rises above differences of race, gender class, generation, geography to ensure equality, (UNDESA, 2007). In social inclusion in terms of housing, the lower income group are uplifted and mixed with higher class.

Another concept linked to social integration is social cohesion which in this research generally refers to being together. Social integration in its essence is fundamental in bringing together people in an area prone to inequality, discrimination or segregation (Schmitt, 2000). A cohesive society is one where all groups have a sense of belonging. In such tenant societies, there is no tension or conflict when different interests collide but rather tenants mutually live together (UNDESA, 2007).

3.7 Putting social integration into context of housing institution-definition

In the context of rental housing, an integrated approach applied in this study refers to social integration of different socio economic groups in an urban area (Okulun, 2008). Similarly, housing cannot be implemented effectively without focusing on social and economic (affordability) aspects of the beneficiaries. Social dimensions of integration are expanded by incorporating the concept

broader to refer to internal and external integration which eventually are stated as follows:

3.7.1 External integration

This refers to tenant involvement in the outside environment and it also extends to social economic resources located in tenants' neighbourhood. Examples of social economic resources are grocery stores, coffee shops, restaurants, movie theatres, libraries, and places of worships and parks. Integration in this particular scenario means the ease which goods, social services and social contacts are available in the residential settings or neighbourhood (Wong and Solomon, 2002).

External integration is also portrayed in development in the outside environment. In this form of integration, physical developments of buildings by housing institutions on residential land use such as flats or detached housing units integrate tenants of various income groups to reside on same context or in a neighbourhood (Kotchrin, Edridge and Freeman, 2000). Inclusionary housing ordinances work to overcome economic barrier in the form of reserving units for rent or sale for low and moderate income households by assisting them to meet their fair share of affordable housing needs, while the remaining units are sold or rented at or above market value (Verster, undated).

Developments of inclusionary housing makes the affordable units blend in and are visually unidentifiable from the rest. Thus, inclusionary zoning helps avoid the segregation of affordable or low-income housing, allowing a more diverse and appealing housing stock to be created (Ray, 2001). For instance in South Africa an effort to increase density of cities and to promote social integration, through inclusionary housing is seen at Felapeng in Fairlands where there is an incorporation of a certain proportion of affordable housing in market housing developments (Olokun, 2008).

In Malawi the inclusionary housing is in the form of housing estates which have different housing designs and quality depending on rent cost or sale price. However, the research will examine the extent which housing institutions apply internal integration hence external integration will not be a scope of this study.

3.7.2 Internal integration

This refers to the process whereby a housing institution structures its organisation practices, procedure or programmes by integrating its tenants within a building if it is flat or within a housing estate if it is detached housing units (Kotchrin, Edridge and Freeman, 2000).This internal integration is in the form of integrated allocations, tenant integration and integrated developments.

This concept of integration is based on the notion of common citizenship—that is, minority individuals with disabilities and women have an inherent right and should be afforded the opportunity to live, study, work, and recreate alongside with others (Racino, 1995).Hence integrated allocations are grounded on cross cutting issues like race, gender or disability so as to promote mixed community (Kotchrin, Edridge and Freeman, 2000). Based on this definition race, gender and disability will be assessed by measuring their percentage numbers in terms of allocation in the housing institutions.

Integrated allocations can be looked also in the perspective of mixed income groups commonly referred to social income mix. In a purely market-driven system those with the lowest incomes might all end up in the lowest cost and least desirable part of towns and cities and could end up unable to live in higher cost regions altogether (Hills, 2007). By contrast, social landlords provide and allocate housing in a different way, allowing or encouraging more of an income, and accepting the need for effectively higher rates of subsidy in the rental charges. When mixed social groups drawn from different sections of the community live in same housing building they are aware of the problems of their neighbours' hence informal support networks emerge. Hence a mixed income community becomes integrated socially and the

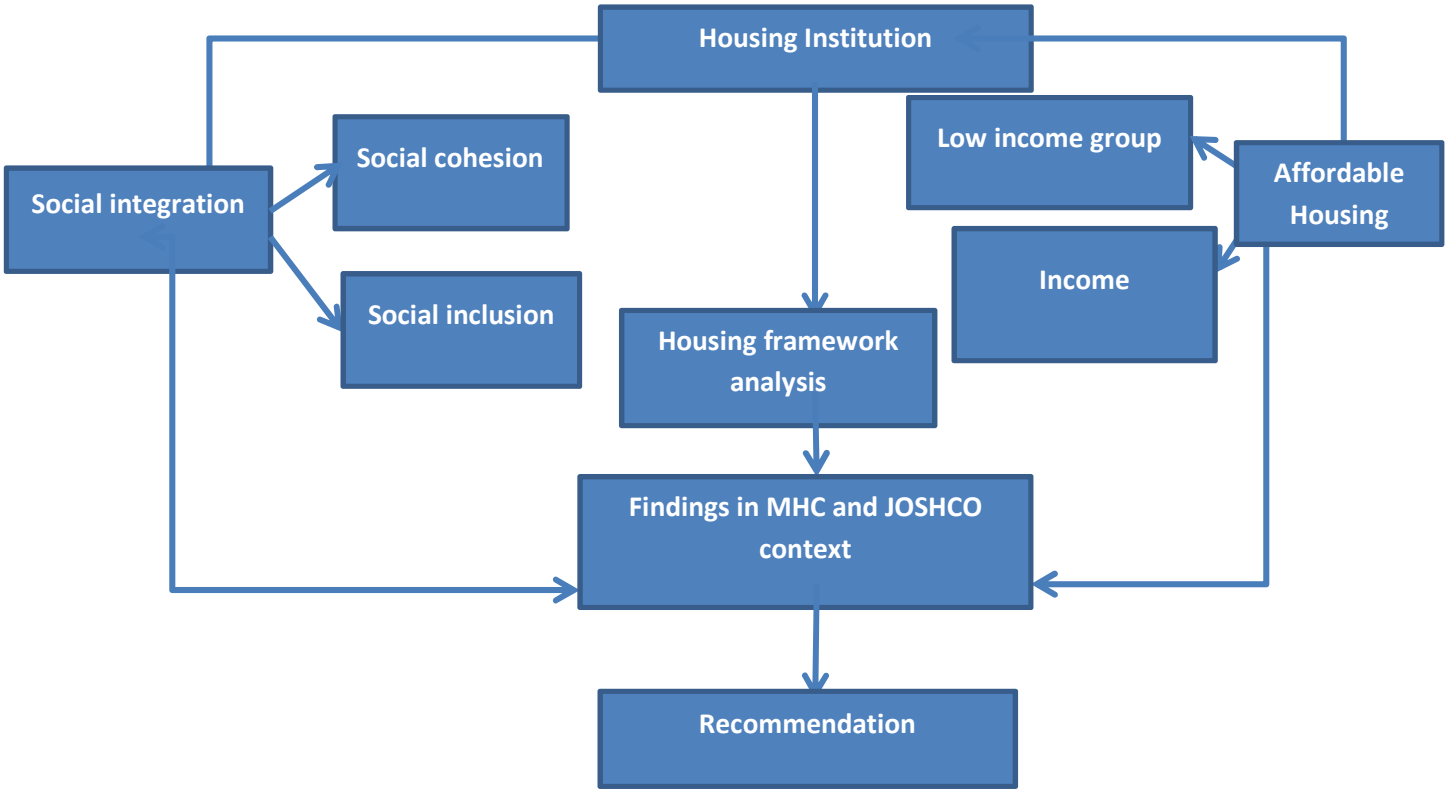
best place for the poor to live is near their social support networks (Hills, 2007).

The board and management of JOSHCO strives to operate in an accountable and transparent manner so that housing allocations must be fair and unbiased (JOSHCO, 2012). Meanwhile MHC also formulated a series of regulations and brought them into effect to safeguard the fair distribution units. Integrated allocations in both of the housing institutions are achieved through offering a set of different categories of unit rent charges hence a social mix of tenant is achieved. Further to those key tenants integrate with housing institutions by partnering and collaborating with the institutions on issues of maintenance and social welfare in order to fulfil tenant’s requirements and needs (Storey, 1993).

Some housing institutions like in United Kingdom have an obligation to offer tenants the right to establish management functions (particularly in estates management) to enable them make decisions about maintenance, repairs, improvements and day to day managements. These examples demonstrate the potential to integrate tenants on a collective basis into the decision making process which affect the management of their homes. Housing institutions that incorporates concepts of social integration strategies encourages active participation by all its tenants in creating innovative options for their housing needs, this

brings satisfaction to tenants (Okulun, 2008).Tenant integration does not mean that the tenants should sit in board meetings or retake the role of management. In the scenario of MHC and JOSHCO respectively the tenants are given freedom to organise themselves into tenant committees that stands as mouth piece of the rest of tenants.

3.8 LINKING SOCIAL INTERGRATION, AFFORDABLE HOUSING AND HOUSING INSTITUTION AS REVIEWED IN LITERATURE



The above conceptual model is portraying that affordability and integration are mutually constructed. Thus integration is a function of ensuring to some extent that affordability

and housing institutions play their role effectively. Integration ensures that housing institutions provides affordable housing without segregation or discrimination bias. However integration is not just function of affordability but it also needs other policies in place to be more meaningful. Policies that enhance inclusion or cohesion and mixing of people enhance affordability as housing institutions extends their rental options to all groups or classes of people within their context.

3.9 CONCLUSION

The chapter has provided a literature for consideration when analysing the contributions of MHC and JOSHCO housing institutions. Housing affordability in South African and Malawian context have been discussed and highlighted. This chapter has further specified some programme approaches of housing delivery which have been noted as being including of concepts like affordability and social integration in Malawi and South Africa perspective. It has further been noted that the research is focusing on low income group therefore high income group shall not form part of basis of this research. It has also been noted that internal integration programmes that enhances social integration includes, tenant integration, integrated development and integrated allocation.

CHAPTER 4: FINDINGS AND DISCUSSIONS FROM CASE STUDIES OF HOUSING INSTITUTIONS

4.1 Introduction

This chapter focus on the findings of the research. The results are categorised into themes that are emanating from the interview questions. It must be noted from the onset that the main themes were social integration and affordability however minor themes emerged to complement the main themes so as to gain a better understanding of the results. These themes were housing institution mandates, projects and programmes. Since this is a comparative discussion, the discussion will dwell on analysing the two housing entities simultaneously examining similarities and contrasts appropriately. To a less extent literature will be cited to complement the discussion findings and results. It must be noted from the onset that despite the research participants being employees of their respective housing institutions, their views and explanations in this research are based on their experience and expertise in their respective organisation they work for.

4.2 Housing institution’s mandates

The comparison in this study looks at the mandates of the housing institutions and how these mandates shape their housing delivery in their respective countries. Much as JOSHCO and MHC are public rental housing institutions, their context differ, they are institutions in different located in different countries and setting therefore it was crucial to appreciate the institutions mandates. In this regard the comparison between JOSHCO and MHC will be highlighted.

JOSHCO draws its mandate from the Social Housing Act 2008 and BNG 2004 in which is a South Africa government strategy to promote rental housing. Its mandate is to provide subsidised housing for working people by developing and managing rental housing stock that were managed by the City of Johannesburg. MHC was mandated through the Housing Act (1964) to provide rental housing nationwide. Its mandate is to construct, manage housing estates but also to develop plots for Malawians however MHC also sale houses to the public with first priority to the tenant in cases where the houses are occupied. Through the housing mandates, it has been noted that the two housing institution are accredited by government hence are reliable housing delivery mechanisms which have potential to deliver meaningfully in their respective context.

4.3 Projects and programmes: house construction and design

JOSHCO’s housing development programme is crucial to correcting the spatial and socio economic injustices of the past (JOSHCO, 2012). Mainly public hostels provide temporary homes to male workers only. The conditions in the hostels is bad and encourages uncontrolled letting, inhumane living conditions and illegal activities hence JOSHCO project on hostel redevelopment programme transform dormitory style single sex hostels into family housing developments, and assist these families to build their communities (JOSHCO Housing portfolio 2010/2011).

JOSHCO also conduct refurbishment programmes as a way of implementing the inner city regeneration charter which commits it to redevelop dilapidated and bad buildings and this entails JOSHCO’s efforts of managing and refurbishing inner city (JOSHCO Inner City Projects housing portfolio 2010/2011). Furthermore JOSHCO programmes develops integrated mixed income housing environments for families through the conversion of the existing buildings and construction of new family units, the properties are being rented as affordable homes to low income households (JOSHCO Housing portfolio, 2010/2011).

MHC constructs houses of various classes for rent. The main aim of constructing houses was to provide shelter for the low income groups and civil servants whose salaries are minimal there by promoting affordable housing to this group (MHC, 2009). MHC acquires land from government through the ministry of lands; the land is then planned for residential accommodation. By constructing houses of various classes, MHC promotes an integration of mixed income classes in its housing estates. MHC houses are of better standard than other low income houses in the city and MHC houses are of good quality and its housing delivery policy is to provide accommodation with amenities and Infrastructure attached (MHC, 2012).

However basing from their projects and programmes much as the motive is the same amongst the two institutions, there are differences emanating from the institutions for instance in terms of housing developments, MHC obtain bare land for construction while JOSHCO obtain dilapidated buildings or in some cases converts buildings into residential usage. This is because JOSHCO operates in the inner city where land is scares and expensive unlike with MHC, which build close to the city but not in the inner prime area. In terms of building type, JOSHCO coverts and refurbishes up rise blocks unlike MHC which build single detached housing units. The explanation being that Johannesburg has a larger population than Mzuzu hence JOSHCO would as much as possible try to

increase population density of tenants at the same time utilising space intensively.

4.4 Sustaining affordable housing

In this discussion sustainability of affordable housing is understood in terms of economic resources and how the resources enhance the operations of the housing institutions in terms of operation costs, staff costs, and administrative costs (Carr, 1997). JOSHCO funding emanates from government institution subsidy and from rent revenue while MHC obtains its funds from rent venue. JOSHCO does borrow from private financiers subject to approval from government similarly MHC also borrows from banks to supplement its project and prior approval from government ought to be sought. However, currently Malawi government suspended providing MHC financial subsidy. As such MHC obtains funds from the proceeds of plot sales which are also attached with ground rent revenue. MHC acquires land from the Ministry of Land, Housing and urban development for plot development.

It was observed that MHC mainly relies on sustaining its operations by engaging in an income generating activities which mostly is plot development. Upon acquiring land from government the plots are demarcated and sold to the public. MHC noted that at times people will prefer to build houses of their choice and for that reason; plots are demarcated for high density and low density category. High density

plots usually are of 15 meters by 30 meters while low density ranges from 40 meters by 60 meters (MHC, 2007). This was noted as the main activity sustaining its operations coupled with rent income which is not quite reliable. Plot sale proceeds range approximately K20. 000.000 (R500. 000) per year while rent revenue per year stands at around K147.743.240 (R3. 693.581) for 812 units (MHC, 2012). On the other hand JOSHCO to ensure sustainability of its operations strives in increasing its portfolios yearly by applying more effort in running its projects effectively, this to them ensures more revenue collection for the company. Currently JOSHCO has a total of 8280 billable units and it was noted that in 2012/2013 JOSHCO intends to develop 321 further rental units and to improve its revenue collection to 87% representing a collection of R52.64 million (JOSHCO, 2012).

On a personal opinion it has been noted that both MHC and JOSHCO are state entities and operate for non-profit basis. However, this good cause has its own challenges because these rental housing institutions do face hiccups as far as rent collection is concerned and can in the long run jeopardise the provision of affordable housing. JOSHCO rely much on subsidy for them to engage in meaningful housing projects. It has been further noted that when the subsidy is restricted, it makes JOSHCO difficult to enter into projects development. This over reliance on government as single main funding institution can jeopardise its business. At the same

time, MHC’s over reliance on land demarcation for plot sales are not effective. Land is inelastic hence will eventually continue to dwindle in the inner city. When the prime land is finished in the metropolitan areas city MHC’s future will be myopic and bleak.

These two housing institutions in order to sustain their operations I view that there is need also to balance the technical aspects of constructing housing, management and the economic resources of running the institutions. The long term economic value of the property assets should be more that the total liabilities. On-going costs of physically maintaining the assets and other support services must be balanced well. Low income rental public housing deteriorates rapidly into slum structures if not properly maintained. Currently the total year maintenance costs stands at R17. 194. 277 at JOSHCO against a total units billing of R60.60 million per annum in 2012 financial year (MHC 2012) and at MHC the maintenance cost stood at K46.807,192 (R11,701.79) against units billing of K136.751.064 (R34.187.76) in the 2012/2013 financial year (MHC Annual Budget, 2013). In order for MHC to secure land for future use construction I view that it should build high rise building as opposed to free standing houses which utilise ample space.

4.5 Affordable housing in MHC and JOSHCO context

In MHC context the term affordable housing is understood as rental housing that is of sub-economic value (rent charged at a low price value when compared with other rent charges on the market) offered as a government effort towards social services provision for its citizens. In Mzuzu city MHC house rental charges are between k4.000-k70. 000 (R150-R1.750) this wide range options of rental charges is there to deliberately provide lower rental accommodation to city dwellers. This is against an average earning of k30. 000-k150. 000 (R750-R3.750) per month of most of low income earners households in Mzuzu city which has a total population of 1.708.930 (Msiska, pers. Comm., 2013). The low income earners comprise of 37% in formal employment (UN-HABITAT, 2011). This is a target group that MHC endeavours to provide accommodation to. As such MHC rentals are fair and affordable (MHC Social Economic Profile, undated). Currently its housing stocks stands at 812 in the northern region.

Affordability also extends to mean providing houses with all amenities but with low rent. In simplistic terms the concept also refers that the rentals for Malawi Housing Corporation houses are attached with auxiliary services and

infrastructures but still remain affordable. In all the responses obtained what came out clearly was that affordable housing according to MHC is linked with a socio economic dimension. When allocating housing, eligibility is determined by assessing individual or household incomes of the applicants. Amenities refer to features that increases the value of dwelling units and that contributes to, comfort and convenience (Pillay*et al*, 2006). Since the amenities add value and make a real property attractive, the prices of rentals also escalate when the amenities are attached. In MHC context these include, car parking, sanitation and refuse collection, water, electricity, tarmac roads and security. It has been noted that in terms of affordability MHC endeavours to provide decent accommodation to indigenous Malawians who cannot opt for better accommodation with amenities due to income challenge (Msyali, pers. Comm., 2013).

However enabling low income families to obtain adequate housing which is within their economic means is a challenge. Not all low income earners can afford MHC houses such that a lot of them resort to tradition/temporary housing options (house structures built using non-durable materials or materials of substandard contrary to standing planning and building bye laws). As such for MHC to broaden its scope of the concept of affordable housing it means it has to reduce its construction standards and designs so as to accommodate even the lowest income earners. It has also been noted that

MHC’s activities includes plot development hence in the process of implementing socio economic dimension an element of self-help schemes in form of creating plots for low income specifically in locations designated as high density areas is ideal so that those in the lowest marginal earning group can enjoy the amenities that MHC provides when facilitating housing projects. However for affordability to be more meaningful the building standards must be reviewed. The present building standards emphasize the use of permanent building materials, this is just a burden to most people who desire to own or build their own houses because building materials that are specifically required are not affordable for most Malawians. In addition to that MHC ought to lobby government to resume funding the institution this is substantial as it can enable MHC to lower its monthly rental charges massively. It was noted that most of its expenditures goes to maintenance hence if MHC can be partially funded then it will be able to provide very low rental accommodation than what it charges now.

According to JOSHCO, affordable housing pertains to rental housing predominately serving families whose total household income is between R1.500 and R7.500. It was further elaborated that in the South African context, JOSHCO as a state entity, its guideline target rents are determined through the national rent regime, meaning the rentals are derived from government housing rental frameworks (JOSHCO,

2012). Nationally it is believed that the low income group falls under the category earning incomes of R1.500-R7.500 (much as there is a poorest category whose earning ranges from R0-R1500 and is excluded from the low income group since government allows this group to reside in THA's)as such affordable housing is the provision of housing to such category income group. The city has a population size of 4.434.827 (Statistic South Africa, 2012). Unlike at MHC, which currently does not obtain state subsidy, at JOSHCO housing affordability is also enhanced by the state subsidy. However providing affordable housing through subsidies cannot be reliable since government funding can be withdrawn and this can be of high inconvenience to JOSHCO.

At JOSHCO, rent ranges from R650 to R6.000 for income earners between R1500 to income above R7.500 hence apart from paying rent the tenants have addition obligation to spend on like food, school fees, and household items and transport (JOSHCO, 2012). As such affordability can be more meaningful if these low income communities are close to job opportunities, markets and transport. JOSHCO as a social housing should be able to develop sustainable human settlements in strategic locations which are linked with economic opportunities for the low income communities (Odia, 2012). Just like MHC it was also highlighted that affordable housing by JOSHCO comes with various amenities as way of promoting good living conditions. As discussed, JOSHCO aims to upgrade and restructure the inner city of Johannesburg

which poses danger and compromise living condition of the city dwellers (Pillay *et al*, 2006). It was highlighted that many city dwellers are the poor who are trying to earn a living in the city hence to promote affordable housing to them, the amenities which mostly comprise of security, parks, proximity to commercial centres, health services, schools or crèche, well planned housing facilities are easily accessible to them at a cheaper cost (*ibid*).

4.6 Income and housing

From the research results gathered, it has been seen that in terms of income, it is the low income group that are enjoying the tenancy and occupation of MHC and JOSHCO respectively. At MHC, majority low income earners earn between K30.000 (R750) and K150.000 (R3.750) and comprise of 70% occupancy, 25% middle income and 5% high income earners in MHC units (Msiska, pers. Comm., 2013). At JOSHCO, majority low income earners earn between R 1500- R10000 and comprise 70%, middle income earners comprise 23% and earn between R10000-R15000 and 7% high income earners who earn more than R20000 occupy JOSHCO units (JOSHCO Housing Portfolio, 2010/2011). This symbolise a way of helping low income families obtain adequate housing which is also within their economic means.

On housing type, it was categorised in bachelor/bed seater, 1 bedroom to 3 bedrooms. The results however showed that a lot of the low income occupants in the two institutions were families who occupied 85% of JOSHCO's 2and 3 bedroom while at MHC it was 80% of family households that occupied in 2-3 bedroomed units. At JOSHCO the remaining 25% is distributed amongst students, widows, widowers and divorcees and non - married tenants while at MHC 20% was distributed amongst widows, widowers and divorcees.

However the two housing institution must continuously obtain information through socio economic surveys on the household's income patterns, incomes and expenditure otherwise the target group may be missed. Mixing of tenants with different income requires the institutions to have current information on the nature of its applicants so that their allocations must demonstrate that the two institutions provides various rental options, that they offer a conducive environment for a mix of income groups to live in one area thereby encouraging integration of different social classes.

4.7 Social integration in MHC and JOSHCO context

As reviewed earlier on, social integration implies improving human rights in the sense of providing the right to decent housing and it also entails establishing patterns of human relations in a society that has diversity. It is further

referred to as a synthesis of peace, security, development, human rights as it overcomes exclusion, promotes inclusive institutions and participation (UNRISD, 1994). In the context of rental housing, an integrated approach applied in this study refers to social integration of different socio economic groups within the housing area (Okulun, 2008). In this study, the social dimensions of integration are expanded by incorporating the concept of internal integration. This refers to the process whereby housing institutions structure its organisation practices, procedure or programmes by integrating its tenants within a building if it is flat or within a housing estate if it is detached housing units (Kotchrin, Edridge and Freeman, 2000).

According to the MHC perspective social integration is understood as housing people of different income, social and educational background in various locations in accordance with their status by creating a housing location area with different sizes of houses (Msiska, pers. Comm., 2013).It has also been expounded as “Housing citizens with different income brackets in one area” (Msyali, pers. Comm., 2013). This further connotes accommodating people of different classes in terms of their income earnings, race and other backgrounds within the same locality or estate. The study showed that social integration is part of MHC objectives since the MHC Act recognises the importance of dealing with inequality.

As regards to JOSHCO, social integration means housing provision that enhances mingling of tenants through community development activities and accommodating tenants with diversity in a project (JOSHCO, 2012). Just like MHC, social integration is part of strategic objectives of JOSCHO. However in JOSHCO social integration is more emphasised and taken with utmost zeal due to historical dimensions like apartheid rule. The South Africa housing policy emphasised the need to correct this system which was enhancing segregation and discrimination (SASHP, 2005) while the housing policy of Malawi enhances reduction of inequality which is in its highest level in the urban areas (MNHP, 2008) hence integration forms an important strategy in the housing delivery of JOSHCO than in MHC.

4.8 Social integration strategies and programmes

In the case of MHC, the results portray that social integration is implemented through housing development/projects by way of building houses of different sizes in one area. Thus housing quality depends on facilities attached to a unit coupled with its plinth size. It was noted that a spacious house which has all facilities needed by households is what is referred to being of good quality consequently depending with affordability, the designated locations are occupied with a mixed of people of different background, class or social status in the category of low income earners (Msyali, pers. Comm., 2013). For

instance one housing area known as New Katoto contains about 70 housing units with 1 or 2 or 3 bedrooms, with 40 units comprising lowest income earners paying rental between K1.,000 (R250)-15.000 (R375),20 units for the middle income at rent charge per month of k30000 (R750)-K35.000 (R875), 10units for the high income group with rental between K40.000 (R1.000)-K50.000 (R1.250) depending on additional fixtures and features that improves the units like some units can have carport, wardrobes while others do not have. In this case tenants occupy the units depending on their income. Resultantly, MHC in this case achieves its integration strategy as different tenants with diverse income are drawn together.

JOSHCO's social integration programmes tend to differ much with MHC. It was noted that their programmes focus on urban restructuring by way of developing or converting buildings in the inner cities so as to develop integrated mixed income housing environments (JOSHCO, 2012). JOSHCO's Bellavista estate houses a mixed income community comprised of tenants who receive social grants, pensioners and salaried people. Apart from that its Pennyville estate is a mixed housing development. It offers different housing options for beneficiaries: 600 subsidised houses, 200 affordable rental units for R2.200, 600 communal units (meaning that tenants share a bathroom, toilet and kitchen) where one can rent in a flat for R225 or the entire flat for R800 per month and

800 middle and high income rental units ranging between R4.800-R6.000 , thus a mix of both low, middle and high income s achieves by JOSHCO but still with an aim of assisting the lower income (JOSHCO Housing Portfolio, 2010/2011).

4.9 Gender and access to rental housing

Gender is a concept that varies between contexts, in this research the word gender denotes analysing men and women in order to give attention to specific experiences, opportunities and constraints of women (Larsson, 2011). The study has revealed acute gender similarities with the two housing institutions as regard to tenancy. It was noted that at both JOSHCO and MHC, tenancy agreements were mainly done with men. At MHC the occupancy rate of head of household who enter into tenancy agreement with the institution, between men and women stands at 30% women and 70% men(MHC, 2011) while at JOSHCO the occupancy rate is at 25% women and 65% men(JOSHCO Housing Portfolio, 2010/2011). It was noted that in both Mzuzu and Johannesburg has an influx of migrant men population which come to seek employment (Pillay*et al*, 2006). It was also noted that in these two cities low levels of education deters women's potential to access finance and better jobs eventually low income generating activities disqualifies them automatically to compete with men when accessing accommodation in these housing institutions despite constitution provision for women's right to housing

and ownership in Malawi and South Africa (Constitution of Malawi, 1994; Constitution of South Africa, 1996). As such it has shown that the contribution of JOSHCO and MHC in terms of integrating tenants through gender is minimal since a lot of men are renting in the two housing institutions than women.

4.10 Disability and housing

Disability is understood in social context as something resulting from persistent devaluing of people with impairments, their exclusion from good incomes and jobs, and lack of concern for their needs in the arrangement of physical spaces and social networks (Harrison and Davis, undated). Thus the term also applies for people with wide range of impairments, sensory, mental or physical.

Housing is a potential component that affects the disabled environments through its physical characteristic although other variables play a role. Thus inadequate housing facilities, space, sitting, security and design can constrain housing or allocation of the disabled, excluding them from integrating with others in the public housing areas. The research results showed that accommodation for the disabled remains a challenge to both JOSHCO and MHC. In terms of accommodating the disabled, MHC stands at less than 4% (MHC Socio economic profile, undated) while JOSHCO stands

at 7% (JOSHCO, 2009). This is attributed to the fact that the population of applicants is far way minimal as compared to non-disabled and that most of the buildings of JOSHCO and MHC do not have special needs facilities to enable the disabled operate in a good environment. Disabled applicants at JOSHCO totals 15(JOSHCO, 2011) while at MHC totals 10 (MHC, 2007).

However, it was noted that 6 units were built to be accessible to people living with disabilities in 2012 by JOSHCO (JOSHCO, 2012). There were no special programmes for the disable at MHC and the research showed no special disability facilities existing in MHC units albeit MHC has over the years accommodated the visually impaired and the physically challenged in the houses that specifically are user friendly to the non-disabled (MHC, 2007). In this scenario it has been observed that integration among the disabled and non-disabled is happening at minimal. The housing institutions can contribute further and put deliberate measures to integrate its tenant especially by building units that accommodate the needs of the disabled.

4.11 Integration based on Ethnicity and Race

In this discussion race stipulates the distinction by physical characteristics, including build, appearance and colour while ethnicity is understood as the development of a

distinctive culture and a way of life, including language, attitudes, values and beliefs (Carr, 1997). In this research JOSHCO and MHC are seen as institutions that are struggling to harmonise all groups of people through accommodation. Integrating tenants by race and ethnicity at JOSHCO is currently at 60 % blacks, 20% colourds, 13% Afrikaans, 5% Indians 2% whites(JOSHCO Inner city project portfolio, 2010/2011) while at MHC blacks is 90%, whites is 3% and Indians is 7% (Chiume, pers. Comm., 2013).

Nevertheless as far as mixing of its tenants by ethnic and race is concerned JOSHCO and MHC allocates more indigenous black population in their units. The explanation to the same being that the focus of these institutions is to target low income groups hence in the contexts of these housing institution respectively, black populations comprise the low income group to a large extent. Generally it is deduced that housing accommodation in form of race and ethnicity does not matter most. It can be argued then that accommodation is not spread to all regardless of ethnicity or race at JOSHCO and MHC thereby contributing minimal to integration based on ethnicity and race much as to some extent it can be seen to spread to all who qualify regardless of ethnicity or race .

4.12 CONCLUSION

To sum up in this chapter, emerging contrasts between the two institutions are that in order to sustain themselves in the provision of affordable housing, JOSHCO rely on government subsidy and revenue collected from rent while MHC conducts income generating activities like plot sales apart from collecting rent. In addition to that, much as both institutions are localised in cities affected by past colonial administration, their projects and programmes are implemented with different motives. For JOSHCO the programmes and projects are a means of promoting and providing inner city dwellers with accommodation while MHC's programmes and projects are to provide and promote decent accommodation to the civil servants and the low income public.

Albeit the distinctions outlined, similarly the two institutions targets mainly the black racial group and the low income group in their affordable housing provision. In addition to that both institutions do not integrate much the disabled and women in their rental housing. It has further been noted that despite the foregoing both institutions are playing a commendable role in providing affordable housing and in integrating the society.

CHAPTER 5: CONCLUSION

5.1 INTRODUCTION

In this chapter, there will be a summary of the discussed deliberations of the two housing institutions and their contributions to affordable housing and social integration. This will be followed by recommendations as a way of highlighting areas of improvement to the stakeholders as state housing institutions in cities. Lastly concluding remarks will sum up the whole research deliberations.

5.2 Recommendations to stakeholders

5.2.1 Social policies

Public housing institutions are integral in transforming the lives of individuals who cannot access accommodation on market prices. In this study it has been learnt that housing fulfils both social and economic needs however I view that when formulating housing policies housing institutions should be a mechanism of promoting social integration in neighbourhoods and should be used much to structure the city and neighbourhoods. Inequality and segregation are mainly effects of failure to handle social integration. Housing institutions must ensure that social integration programmes should be linked with social inclusion objectives in order to ensure equal opportunities of everyone regardless of their background can achieve their full potential in life

and include policies and actions that promote equal access to housing.

5.2.2 Coordination amongst public institutions

To understand the full implications of the contributions to the provision of housing by housing institution, the activities of a large number of other public institutions must be taken into consideration. A large number of other institutions must provide essential services without which housing cannot be provided effectively by the housing institutions. For example housing cannot be provided in the urban areas before a number of other government institutions and provision authorities have completed essential functions and local authorities have provided for a wide spectrum of community services apart from affordable housing and social integration mechanisms. Therefore it is advisable to see housing activities of the public sector as having complex functions that needs coordination amongst public institutions rather than to concentrate on the efforts of individual public housing institutions.

5.2.3 Housing affordability options

On housing, Turner (1972) has pointed out that there are some housing aspects that can be learnt from, in particular the freedom to build and the affordability. He proposes that

these features be incorporated into state/ government assisted programmes. Thus Housing Institution should put deliberate measures whether be it policies or strategies to enable communities to have a choice of building houses by purchasing land from the housing institutions (landlord) or can have a choice to purchase houses from them or even a choice of choosing accommodation that befits their income.

5.2.4 Participation

In these modern times, housing institutions should provide an enabling environment for tenant participation and consultations on social matters affecting their lives. Thus social involvement here means taking into account the views of their tenants. Tonkin (2008) defines 'integrated development' as: "A form of development which is holistic in addressing needs and where different actions support each other and set up positive relationships with each other. In an integrated development approach the development objectives and process is responsive to the needs of – and shape through the direct participation of those who the development is intended to benefit," Participation can also be enhanced through community development activities by increasing off line social network of its tenants through friend ship interactions and other social activities, which promotes social cohesion in form of allowing the tenants to make tenant committees, social clubs or deliberately promoting tenant competitions or open day activities or

providing the tenants with recreation or leisure social facilities adjacent or within their housing premises.

5.3 CONCLUDING COMMENTS

The paragraphs below summarises the deliberation as regards to JOSHCO, and MHC’s social integration and affordable housing contributions as follows:

In a nutshell, MHC and JOSHCO are state public housing institutions. They are mechanisms for housing delivery in Malawi and South Africa. The research also highlights on issues of affordability in Malawi and South African context. It has been seen that low income groups are the priority target for these nations as far as providing affordable housing is concerned rental housing is seen as a way of promoting affordable housing by both JOSHCO and MHC. However in South Africa affordability is implemented further through the use of subsidy while in Malawi affordability is achieved through creating conducive environment to allow the low income groups to build on their own incrementally. The discussion has shown that the two housing institutions incorporate social integration strategies by creating innovative options for the housing needs of low income group. It has further been noted that social integration is promoted through the housing institutions as they deal with cross cutting issues like gender, race, disability and income.

Disability has also been noted as a social issue that has not been focused much by both JOSHCO and MHC as the institutions incorporates a small percentage of the disabled in their institutions. It has been discussed that in terms of racial integration the both JOSHCO and MHC are also lagging behind since the majority of their tenants are of black ethnicity. In terms of income both JOSHCO and MHC endeavours to integrate tenants of various income categories and this was evidenced by the different sizes of units the institutions build which they build in their respective areas.

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APPENDIX

INTERVIEW QUESTIONS SCHEDULE

1. What are the main functions of the institution
2. Explain the current programmes or projects that the institution is conducting
3. Explain any future programmes that the institution intends to implement in the near future
4. In JOSHCO context explain what you mean when you say you provide affordable housing for the majority city dwellers?
5. What are the rentals that your institution charge in terms of:

   (Put the highest rent charge and lowest rent charge respectively)

   MINIMUM RATE…….

   MAXIMUM RATE…….
6. As a housing institution how do you make your rentals affordable? As an institution what challenges do you face in making the units affordable? How does your institution sustain affordable housing provisions without affecting its operation?
7. In your institution which income group is mostly residing in your buildings mostly in terms of

proportion?(Please insert approximate figures in the dotted lines)

LOW INCOME: 0-50%.....

50-100%.....

MEDIUM INCOME: 0-50%.....

50-100%.....

HIGH INCOME: 0-50%.....

50-100%.....

8. How do you understand the idea of social integration in terms of its meaning as regard to housing?

9. Is social integration a specific goal for this housing institution? What do you do as an institution to make sure that social integration takes place? Do you make special programmes or strategies?

10. What proportion in terms of ethnicity/ race does your organization have as tenants: (please insert approximate figures in the dotted lines)

BLACKS: 0-50%.....

50-100%.....

WHITES: 0-50%.....

50-100%.....

INDIANS: 0-50%.....

50-100%.....

AFRICANS: 0-50%.....

50-100%.....

OTHER: 0-50%.....

50-100%.....

11. What proportion in terms of gender does your organisation have as tenants: (please insert approximate figures appropriately in the dotted lines)

FEMALES: 0-50%.....

50-100%.....

MALES: 0-50%.....

50-100%.....

12. What proportion in terms of disability does your organisation have as tenants?(please insert approximate figures in the dotted lines)

Less than 50%.....

More than 50%.....

13. How does the institution integrate tenants within a building or within housing estates?

14. In your opinion do you think your institution is playing a major role in promoting social integration the City?

Interviews

1. Chiume, G., (personal communication 16 November 2013) Senior human resource and administrative officer, Malawi Housing Corporation, Mzuzu.
2. Msiska R, W.,(personal communication 14 November 2013), Estates management officer, Malawi Housing Corporation, Mzuzu
3. Msyali, G.,(personal communication 20 December 2013), Acting Director of Technical Services, Malawi Housing Corporation, Blantyre