

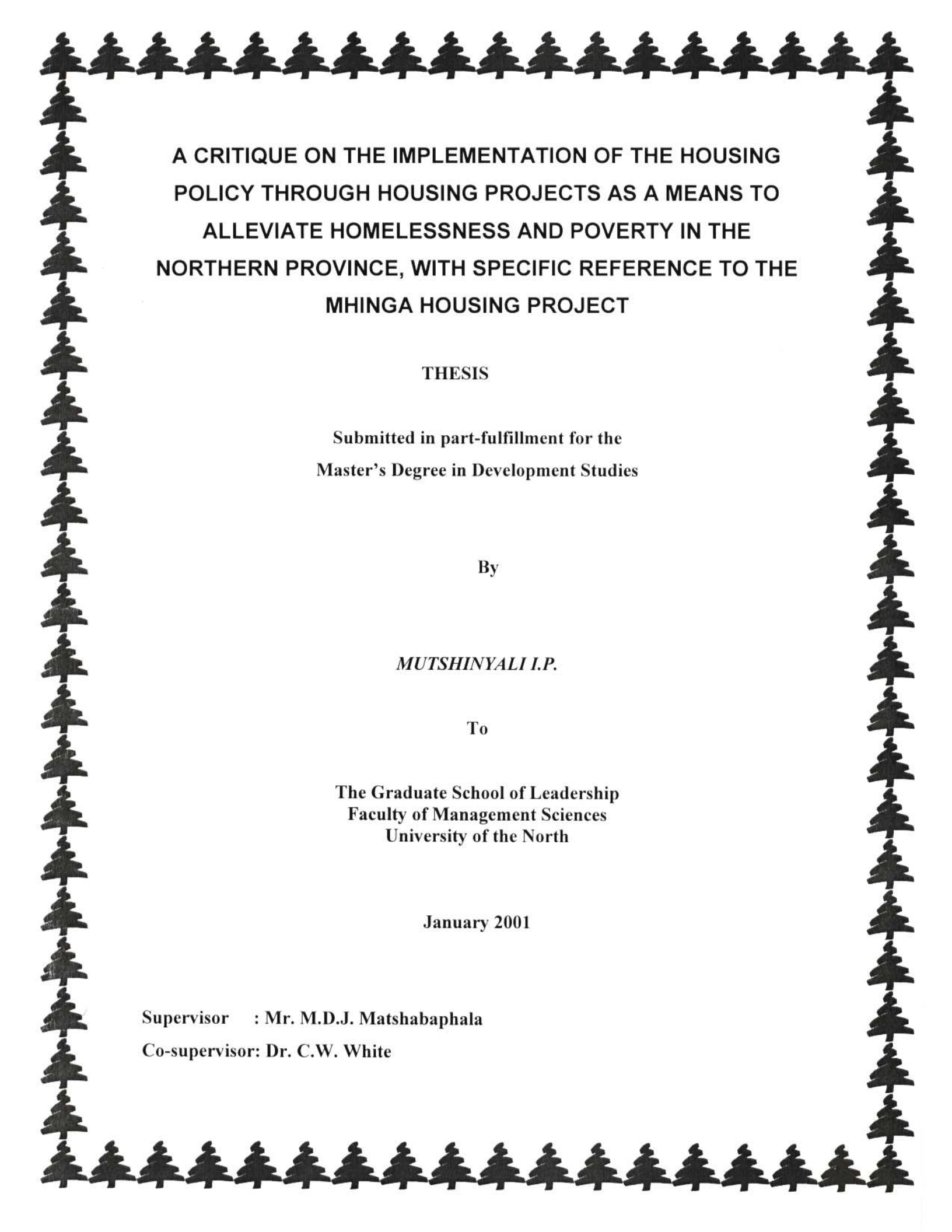
A CRITIQUE ON THE IMPLEMENTATION OF THE HOUSING
POLICY THROUGH HOUSING PROJECTS AS A MEANS TO
ALLEVIATE HOMELESSNESS AND POVERTY IN THE
NORTHERN PROVINCE, WITH SPECIFIC REFERENCE TO THE
MHINGA HOUSING PROJECT

THESIS

Submitted in part-fulfillment for the
Master's Degree in Development Studies

By

MUTSHINYALI I.P.



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To

The Graduate School of Leadership
Faculty of Management Sciences
University of the North

January 2001

Supervisor : Mr. M.D.J. Matshabaphala

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“ THE PEOPLE’S COLLEGE”

Situated north-west of Pietersburg
Approximately twenty-five kilometers from the Blouberg mountain.
Admits all races without exception,
Particularly those who have exemption
Provides the most up-to-date textbooks and course documentation
Each lecturer an expert in their field of education
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The incarnation of a firm but friendly atmosphere
Intended to induce self-confidence in each student.
Offers, inter alia, religious instruction
Intended to effect spiritual injunction.

Like a flash the Blouberg reverberated
When thunder came down from a voice of the fuming Pharaoh,
“No choice: What my creator hath put together, no man can asunder,
Let him go and be a banana Venda, Isn’t he a Venda from Venda?”
Pandelani Mutshinyali went back home
February 1994.

Dedicated to my philosopher–friend
and colleague Cde. I.P. Mutshinyali
On the eve of the 27 April 1994 election
in the bad, old South Africa,
by Benjamin “ The Chinese Philosopher, Blessing Killer the Queen Mphilo”

PROLOGUE

MY LIFE AS A PUBLIC SERVANT

Before 27 April 1994

Until the 1994 general elections, oppression and unfair discrimination was part of my personal experience. In 1989 the former Venda Government employed me as a history teacher. Once the teachers at our school were instructed to stop attending evening classes at the University of Venda, and not to let students mark their own class work, homework, assignments and other work. Since I was a part-time student at the University I asked my principal about his reasons for this decision. Because I was not satisfied by his answer I referred to the instruction as an "unnecessary pressure" placed on teachers by the bantustan regime. On 9 January 1990, my principal informed me that the Department of Education had terminated its contract with me.

In 1992 I was employed as a lecturer at the Bochum College of Education. At that time it was a near criminal offence to be associated with any liberation movement. In the College I was more or less considered an illegal immigrant, a foreigner, and referred to as "a Venda who must go back home", as if Bochum (Lebowa) was in another country. I had no private life: the management of the College even interfered with my personal life in an attempt to frustrate me. They failed, however.

In 1993 and 1994 I challenged the non-admission of a number of students who had good STD 10 results but came from outside Lebowa. In February 1994 the Chief Director of Colleges of the former Lebowa Government came to our institution and made it clear to me that my services were no longer needed. That same month my services were terminated. To this day this entry remains in my personnel file.

During this period comrades Mphiko and Mokgawa were my only sources of support. The three of us had to pay dearly for our association with the liberation movements. Only after the 1994 general election my promotion from tutor to lecturer was effected and backdated. This took place when Dr.

Aaron Motswaledi was the Member of the Executive Council responsible for the Department of Education in the Northern Province.

My present working environment in the Department of Local Government and Housing, where I am a Deputy Director, is conducive and challenging but difficult to understand. One of the reasons is that the overall working culture is based on the principle that everything "is business as usual". Thus there is no sense of urgency in the way business is conducted.

My feeling is that public servants need to improve their sense of patriotism and dedication to serve this country.

DEDICATION

I dedicate this thesis to my lovely and aged grandmother Makwarela Netshikwela, who is presently so old that she, can no longer see and hear properly. She has been a source of hope for the Mutshinyali family. She assisted my mother in supporting and looking after us, especially John and Samuel, who in turn later took care of our only sister Florinah and myself. Granny, I thank you very much, and my greatest thanks go to God for giving us a Granny like you. God bless you.

I further dedicate this thesis to my brothers and sisters-in-law, John and Nelly Mutshinyali and Samuel and Refilwe Mutshinyali: John and Nelly you acted like a genuine father and mother to me. Samuel and Refilwe you are truly my brother and sister. All of you have been so good to me that I fall short in my descriptions. Thank you very much. May the good God bless you.

I would commit a grave mistake if I would not further dedicate this thesis to my lovely and beautiful wife, Makoena Elizabeth Mutshinyali and our children, Takalani, Rudzani and Vhuthu: Makoena, my love and my reason for living, you are my source of strength. Forever you urged me on to finish my thesis. I doubt whether I would have reached this point, now in November 2000, if you had not been there to support me. You accepted to spend days and nights without a husband. I thank you from the depth of my heart.

Ntanganedzeni and Hulisani this thesis is also dedicated to you. And lastly, this thesis is dedicated to all the descendants of Makwarela Netshikweta: God bless you all.

ACKNOWLEDGEMENTS

I would like to extend my gratitude and appreciation to Mr. John Matshabaphala for guiding me through the research process and the writing of this thesis. His insight, comments and motivation became my source of strength in writing this thesis.

It would be an omission not to thank Mr. Johannes Makgoboya, my former colleague at Bochum College for his assistance in proofreading my thesis before taking it to my supervisor. I would further like to thank Dr. Aria Merkestein for proofreading the penultimate and ultimate versions of my thesis, and Mr. Tshamano for assisting me with access to a number of literature sources and also for proofreading my thesis. And finally, Messrs. Tshamano and Mokgoboya: Thank you very much for your unwavering support.

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ABSTRACT

The title of this thesis is *A critique on the implementation of the housing policy through housing projects as a means to alleviate homelessness and poverty in the Northern Province, with specific reference to the Mhinga housing project*

One of the immediate effects of the practices of Apartheid in South Africa was that a large majority of urban Black South Africans had no proper housing, while other Blacks were dumped in arid homelands, in conditions which made it extremely difficult for them to earn an income. Only liberation movements could change this situation and create a situation in which Black South Africans were recognized as true citizens of the country.

The main focus of the study is to investigate whether the housing projects under the auspices of the Reconstruction and Development Programme (RDP) actually achieved what it set out to do, that is to improve the standard of living of the beneficiaries of the housing schemes. Amongst others the RDP aimed at providing housing to the poorest of the poor in rural and urban areas. To exemplify and illustrate this, the Mhinga Housing Project is treated as a case study.

The study further suggests different options Government might wish to consider to enhance its policy of effectively and efficiently housing and empowering the poor of the poorest.

Chapter 1 describes the housing problem to be researched and the instruments to be used. Chapter 2 deals with historical developments, which contributed to the present housing shortage. Chapter 3 analyses the present housing environment and the vision of the Housing Department. Chapter 4 reflects the case of the Mhinga project. This is then also an illustration of the way the Department conducts its daily business. Chapter 5 is focused on a review of the situation and presents an alternative policy. Finally, the last chapter, Chapter 6, sums up the research and evaluates the process of housing delivery, recommends further policy adjustments, and poses some ideas for further research.

CHAPTER 1

AIMS AND METHODOLOGY OF THE STUDY

1.1. INTRODUCTION AND BACKGROUND

The Department of Housing is a service department focusing on the delivery of housing. The effectiveness of the Department can be judged in terms of the number of tangible housing units built by developers, consultants, contractors, and communities themselves. In an attempt to deliver effectively and efficiently the Department of Housing (hereafter normally referred to as 'the Department') enters into contracts with the private sector, that is, developers, consultants and constructors in order to build houses. Through the delivery of these services, the Department has the potential of contributing towards sustainable development, improvement of living standards and poverty alleviation in the National Provinces.

The Department of Housing does not only offer homes to the poor, but also contributes to the establishment of an economic environment within which stable and productive communities can grow and prosper. The challenge facing the Department is that its housing policies and strategies must enable and support communities in mobilizing resources to meet both their housing and economic needs. This process is expected to lead towards the transfer of skills and empowerment of members of the community in an economic sense. (See Housing Act, no. 107 of 1997).

The Department of Housing seems, however, to have difficulties in ensuring the implementation of the housing policies and procedures as written down in the Implementation Manual, the Housing Code and in the Housing Act no. 107 of 1997. For example, according to volume A-P3 Annexure 3E 'Progress Payment 5 (completion of top structure) cannot be done without Progress Payment 4 (certificate of transfer of ownership) being completed. This stipulation written in the Implementation Manual is aimed at preventing the building of houses without actual beneficiaries. Despite this preventative

measure there are at present a number of houses, which were built without actual beneficiaries because of the Department's laxity in enforcing stipulated procedures. The approval of recommendations to ignore, or deviate from official procedures seems to be a core contributing factor, which places housing projects like the Mhinga Housing Project, which we will consider in detail in Chapter 4, at high risk. If the intended objectives are to be achieved, the political head and the top management of the Department of Housing will have to ensure that procedures, for example regarding progress payments are not violated or ignored, and that suggestions to by-pass these procedures are not approved (See Implementation Manual, 1995).

Thus, for government to succeed in facilitating sustainable housing development, a working housing strategy must place specific emphasis on the following:

- Promoting the active participation of communities in the planning and implementation of new housing developments.
- Maximizing job creation.
- Promoting programmes for capacity building and skills transfer for both semi-skilled and unskilled labour in the housing building field.
- Promoting the role of small and medium size enterprises in both housing construction and the building of the infrastructure.
- Establishing mechanisms to stimulate entrepreneurial development for the unemployed, particularly youth and women.
- Establishing mechanisms for a continuous evaluation of the role of emerging developers, and youth and women, in the housing delivery process.

If the housing strategy can put proper emphasis on these elements, the establishment, development and maintenance of socially and economically viable communities, and of safe and healthy living conditions will be promoted and as a consequence slums will be eliminated. (See Housing Code, 2000).

1.2. CONTEXTUAL HISTORY IMPACTING ON HOUSING IN SOUTH AFRICA

The history of colonial domination and exploitation in South Africa was characterised by brutal repression and killings by the apartheid forces, a situation to which millions of black people were subjected for more than three hundred years. Also, however, conditions of extreme poverty which were and still are the reality for the majority of Black South Africans bear testimony to the segregation, exploitation and domination in the previous apartheid era. The present need for low cost housing must be understood in this context.

It follows that the present shortage of shelter and proper housing for a large group of Black South Africans can only be fully understood and addressed if we place the housing issue and the housing backlog within this legacy (Mandela, 1990:43).

For the betterment of the living standards of workers, home and work must support each other, but in South Africa the past policy of apartheid meant that home for many Black South Africans was a mere dumping ground far away from their working places. They were, and in many cases still are, expected to travel many kilometres from home to the work place. In this system of economic exploitation the simple cost of travelling made, and makes, it extremely difficult for people to live above the poverty line.

The Group Areas Act of 1913, and other segregation policies, as well as the imposing of influx control measures to the urban areas ensured that millions of black people were relocated to the dry and rural homelands. Since homelands had no active economic activities to speak of, these racial policies forced the majority of Black South Africans to live below the poverty line. The Black South Africans who lived in the urban areas were only there to provide the previous South African political-economic system with cheap labour. Housing was provided for them only on temporary basis through inferior forms of tenure such as permits and leasehold rights. These tenure systems did not give them (Blacks and their children) any secure homes. In actual fact, Blacks had no right to claim these houses as their homes.

Those Black South Africans working in the Pretoria, Witwatersrand and Vereeniging area were basically 'dumped' in Alexandra and Soweto. The majority of Blacks however were relocated to arid, now former homelands like Venda, Lebowa and Gazankulu, now part of the Northern Province, and others.

As a result of being relocated to arid lands most of the black people in the Northern Province are poor, they live below the poverty line and find accommodation in insecure huts and shacks (Meli, 1998: 56).

Few industries, low rainfall, and poor soil conditions characterize the Northern Province. In the black townships and arid homelands these circumstances led to homelessness, poor conditions of living and, generally, high levels of unemployment and poverty. A lack of, or a poor level of, municipal infrastructure services aggravates this. Until this day these conditions continue to characterize the inherited structures of apartheid in South Africa. As a result the Northern Province is predominately a poor province. (Lodge, 1990: 65).

1.3. PROBLEM STATEMENT

Although for the very first time the first democratic government of South Africa created access for poor and unemployed South Africans to housing by means of the RDP housing subsidy schemes, there seem to be quite a number of beneficiaries, individuals and local councils, who are dissatisfied with these houses. It seems that there are difficulties in terms of implementation of the housing policy, in particular with the adherence to the implementation of Manual and to the Housing Code. Deviations from official procedures seem to take place, and, generally, there is evidence of difficulties with the implementation of housing policies and procedures.

Although this dissatisfaction of the benefiting parties seems to be the case with many housing projects, this is particularly evident in the Mhinga Housing Project. In the Mhinga Housing Project half of the houses are unoccupied,

empty houses have been vandalised, some houses have been rented out and the Local Council does not show much interest in the project (Sunday Times, 14 March 1999)

1.4. THE RATIONALE BEHIND THIS STUDY

The study intends to assist Government and civil society in assessing the successes and failures of the present housing delivery process. It is hoped that based on this study, Government will evaluate and review its policy implementation and management style to ensure that the Mhinga disaster is not repeated elsewhere.

The study will investigate whether beneficiaries must receive RDP houses free or whether they should make a contribution, either financial or through labour. This study will also investigate whether Government is achieving its intended objectives as mentioned earlier in this thesis. The fact that low cost housing delivery was highly criticized in the media might makes this research as an evaluating exercise, an important undertaking. (Housing Act, no. 107 of 1997).

The issue of the quality and occupation of RDP houses is presently dominating the debate around housing. This research is aimed at assisting the Department of Housing nationally and provincially, and the local municipalities to evaluate the effectiveness of the present housing policy. The research will evaluate the Mhinga Housing Project as a point in case and based on this provides alternative solutions. This research is different from other investigations into housing delivery because the 'subsidy bands' will be central to the analysis (Macquire, 1987: 18).

1.5 RESEARCH OBJECTIVES

The research aims at investigating the following:

- 1 Do the National, Provincial and Local government policies and strategies address the people's housing needs?

- 2 Do the administrative and bureaucratic practices support Government policies?
- 3 What are the realities faced by the beneficiaries?
- 4 Is the housing policy adequate and appropriate?
- 5 Can housing policies and procedures actually be implemented as they are laid down?
- 6 Are occasional deviations from the housing policy by officials and developers appropriate?
- 7 Are the dissatisfactions of the Levubu-Shingwezi TLC and the Mhinga beneficiaries founded and legitimate? (Babbie, E. 1995: 57).

1.6. RESEARCH QUESTIONS

Is the housing development incentive reaching the targeted group?

- 1 Did the implementation of the Mhinga Housing Project (later referred to as the Project) happen according to the rules set out?
- 2 Was the Project not too politicized?
- 3 Are housing development incentives actually alleviating poverty and unemployment?
- 4 The beneficiaries' standard of living (in Mhinga village) actually improving? And in what way?
- 5 Do the "poorest of the poor" themselves actually prioritize ownership of houses as a poverty alleviating strategy?
- 6 Is access to housing subsidy for the "poorest of the poor" alleviating or exacerbating poverty?
- 7 Is the low cost housing development sustainable?
- 8 Is the low cost housing development capacitating and empowering local communities?
- 9 Is the Mhinga community actively participating and is it capable to determine the type and the size of the housing units? (Bless and Higson-Smith, 1995: 45)
- 10 Should the subsidy bands be maintained as they are?
- 11 Should beneficiaries continue to receive houses for free? Or should this be based on a contribution, either financial or in labour?

1.7. HYPOTHESES

If the housing development incentives are economically sustainable,

- 1 the standard of living will improve
- 2 unemployment and poverty will be alleviated
- 3 then the success of housing delivery can be judged against the targeted group's improved standard of living since the building of houses will create jobs for the unemployed people from the local community, that is, the semi-skilled and unskilled workers will have to be trained in order to perform duties assigned to them (Webster, A. 1990: 67).

1.8.1. DEFINITION OF CONCEPTS AND TERMS

Sustainable development: development that can be socially, technically, economically and ecologically maintained.

Modernization: the growth of capacity to apply tested knowledge to all branches of development and production.

Disadvantaged community: a community that was previously denied access to development opportunities.

Capacity building: the process of empowering local communities and beneficiaries with skills and knowledge so that they are able to perform particular activities, such as building houses, effectively and efficiently.

Subsidy scheme: a Government scheme for the provision of an enabling environment in order to facilitate access to proper housing ownership for the poor and unemployed.

Community participation: the involvement of a community as a whole, as well as its individual members, in order to determining the type and size of houses desired.

Community development: the process by which the efforts of the community itself are united with those of Government in order to improve the economic, social and cultural conditions of community so that it can contribute to national progress.

Critique: an open analysis of the housing environment without this being constrained by ideologies or paradigms.

Urban green: the management of trees or food production as a contribution to the physiological, sociological and economic well-being of an urban society.

1.9 REVIEW OF RELEVANT LITERATURE

According to the Monitor (09 October 1998:10), people are not satisfied with the type, and size of the housing units, and the community involvement in the housing delivery process. The article states that the targeted group does not seem to be the one benefiting from the housing project scheme.

The Sowetan, 17 November 1997, claims that

“many people in the (Northern) province are not happy with the quality and standard of houses, in fact thousands of these houses are lying empty, while others are used for purposes other than residential.”

At this point it must be mentioned that the researcher will not provide a detailed literature review here because the literature will be integrated holistically in the thesis and thus referred to if and when relevant. The rationale behind this approach is that much of the literature is used to substantiate the critique, which forms the central part of the thesis, of existing regulations and their implementation.

1.10 RESEARCH DESIGN: DATA COLLECTION

The focus of this study is on the effectiveness of the implementation of the housing policy and procedures, and also on whether the current housing development incentives are alleviating poverty and unemployment. In order to research these issues the researcher will rely on literature review and face-to-face interviews. The literature reviewed will provide information as to experience in this field in South Africa and elsewhere, and will assist the researcher in the formulation of suggestions suitable for our country. Newspapers and interviews will provide the researcher with information as to what is taking place in general in the country and in Mhingaville in particular.

The research questions will form the basis for eliciting information from the interviewees. A questionnaire will be compiled but will not be presented to respondents; instead the researcher will use the questionnaire as a guide in eliciting information from the interviewees (Kenneth, 1978: 74). For the questionnaire I refer to section 1.4. on 'Research Objectives' and to section 1.5. on 'Research Questions'.

As mentioned earlier, the research will focus on the Mhinga Housing Project in the Northern Region of the Northern Province. Five politicians, twenty Provincial Department officers, five National Department officers, twenty beneficiaries, the Chief, three developers, three councilors and two civic leaders will be interviewed. It is expected that these stakeholders will provide information that will provide insights as to how the housing policy should be implemented and why this is not done so. Information from newspapers will also be used to provide examples of what is happening at Mhingaville (Nash, M. 1984: 57).

Thus, much information on whether development incentives are alleviating poverty and unemployment will be gathered from newspapers, beneficiaries, the Department of Housing's documents, developers, government officials, and politicians (Macquire. 1987: 75).

1.11. DATA ANALYSIS

The collected data will be analyzed through an inductive and deductive method of analysis. These two methods of analysis will help the researcher to better understand and analyze problems experienced by the beneficiaries of the RDP houses. The research findings will enable the researcher to formulate generalizations and suggest solutions, which, hopefully, might be used by Government and other institutions interested in housing (White, undated: 13).

1.12. VALIDITY AND RELIABILITY

The researcher has been an employee of Government working for the Department of Local Government and Housing as a Deputy Director responsible for Housing Data and Assets Administration since 1997. The data sets used in this research are considered reliable because they come from books, primary data, official documents and departmental officials. The reliability of these data sets is further validated by information, which will be collected from newspaper articles.

There are, however, a few things that must be mentioned about the primary data. Although most officials participated freely, a few of the intended respondents from the Department declined to participate in the interview.

In order to refer to housing procedures and regulations and investigate problems experienced by beneficiaries, the researcher will, amongst others, rely on the Implementation Manual, the Housing Act and the Housing Code. The emphasis will be on problems as experienced by the majority of the interviewed beneficiaries (Sproull, 1995: 60.).

1.13. CONCLUSION

This chapter, firstly, deals with the main focus of the Department, which is the delivery of houses and extends this to the historical circumstances in which Black South Africans have found themselves for many years. One of the objectives in this chapter is to explain the problem statement of this thesis, which is that apparently the intended beneficiaries of the RDP houses do not seem to be satisfied. The other objective of this study is to explain that successful housing delivery should improve the beneficiaries' standards of living.

The chapter also explains the means, institutions and sources for acquiring information.

CHAPTER 2

HISTORICAL DEVELOPMENTS TOWARDS THE PRESENT HOUSING SCENARIO

“All people shall have the right to live where they choose, to be decently housed and to bring up their families in comfort and security” (Freedom Charter, 26 June 1955).

2.1. HISTORICAL DEVELOPMENTS LEADING TO THE PRESENT HOUSING SCENARIO

The housing shortage for the poor in South Africa was largely caused by the discriminatory policies of the Apartheid Governments, which restricted movement and choice of residence for Black South Africans. During the Apartheid era urban planning only focused on developing very limited low-cost housing areas for the poor. Consequently, the actual low-cost housing needs were not met, and a housing backlog developed and increased over the years. The removal of urban influx control measures in the 1980's encouraged migration into the urban areas, which created more pressure on low-cost housing. Inversely, some African people moved from the overcrowded urban areas and settled on undeveloped and vacant land around the designated urban areas. Thus informal settlements and squatter camps emerged rapidly on the undeveloped outskirts of towns in the urban areas.

After the 1994 elections, this huge low-cost housing backlog translated into a socio-political need for housing to be delivered at a faster rate than ever before in the history of our country. Given the backlog, however, it was from the onset unlikely that Government would be able to meet the demand and provide conventional housing for all. This is contrary to the RDP policies, which promised to deliver houses to all the poor.

Government housing subsidies paying for land, services and a top structure, site and service schemes were the first step in assisting people with limited incomes to obtain shelter and services (Sowman and Urguhart, 1998:1-3).

Until 1990, the South African housing policy was dominated by Apartheid policies. From the late nineteenth century onwards, provincial policies and Local Authorities' by-laws attempted to respond to the Africans' residential rapid growth and unplanned urbanisation, which resulted in unhygienic and over-crowded housing conditions.

Gradually the situation became uncontrollable because on the one hand whites wanted cheap labour provided by Africans and needed them close at hand, while on the other hand the source of this cheap labour, that is the Africans, wanted land and a house to live in. In 1923 the South African Government passed the Native Urban Affairs Act which constituted the first national attempt in social planning with regard to housing Africans. The Act made Local Authorities across the Republic responsible for the provision of satisfactory housing for Africans. Since housing for Africans was supposed to be allocated in locations separate from whites, the housing provision for Africans was intended to be discriminating. The enactment of these segregationist policies marked a milestone in the South African journey towards Apartheid (Newton, 1998:15).

As a consequence, separate residential locations of poor standards, developed especially for Africans, were to a limited extent established by Local Authorities. One of the first townships to be established for Africans was Orlando. The old established slum settlements, such as Sophiatown in Johannesburg, however, continued to be more attractive for African migrant labourers because they were closer to jobs and leisure opportunities, which were mainly found in the city centres. The rapidly rising labour demand during the World War II attracted a high number of African migrant labourers to the urban areas. This resulted in a sub-division of the existing dwellings within the established African settlements and the emergence of squatter camps on the edge of some of the new locations. Urban housing shortage and intense competition for residential space was the result. In 1948, just after World War

II, the National Party won the general election and began to systematically introduce a system of formal Apartheid, defined as 'separate development of different races' (Marantz, 1976:16).

In 1950, the Group Areas Act was called into existence in order to zone off residential areas into separate White, African, Indian and Coloured areas. The Act authorised the Government to expropriate the existing property rights to allow government to forcefully relocate Africans, Coloureds and Indians to areas specified for occupation by people of the same racial group. Entire communities were up-rooted and resettled in new and distant locations. African residents of the densely packed freehold-area such as Sophiatown in Western Johannesburg were forcefully relocated to Meadowlands, Cato in Durban and District Six in Cape Town (Newton, 1998:15).

The 1950s were a period characterised by the introduction of legislated influx control measures that were targeted at rationing urban residence rights to Africans in proportion to the demand for their labour. The policy restricted the Africans' access to white areas to those serving the interests and needs of their white masters. By 1952, only Africans who were born in a particular urban area, or had lived there for no less than five years, or had worked for the same employer for ten years could claim permanent residential rights in the area. Employed Africans living in approved urban occupations could merely live there for the period of their employment.

African migrants who did not meet these criteria were only allowed to stay in urban areas for seventy-two hours. The rule applied to both men and women as individuals. It goes without saying that the enforcement of these measures led to the breakdown of families.

Only Africans who possessed the right to remain in urban areas were allowed access to formal urban housing. Contract workers and all others were expected to carry permits (pass books) and to live in bachelor hostel accommodation. African home ownership rights were limited to the holding of a thirty-year leasehold. The reason for this was that the Government

expected those possessing these “permanent” residents’ rights to move back from the urban areas to their rural areas (Newton, 1998: 16).

In 1953 The Native Affairs Minister Dr H.F. Verwoerd, promoted the demarcation of sites with services as an affordable and relatively speedy response to the post-war-demands for urban black housing. The Government provided the sites with sanitation facilities and a water tap every 450 meters. The occupants of each site were expected to erect a makeshift shack until the local authority could build a house for them. The scheme was perceived to be a temporary expedient rather than a long-term replacement of formal housing programmes. These housing programmes produced mass and monotonous, but free standing four-roomed houses, which were commonly known as 'matchboxes' (Newton, 1998: 18).

On 25-26 June 1955, the Congress of the People took place in Kliptown near Johannesburg and the Freedom Charter was adopted, which is a statement of aims. The Freedom Charter became the common programme enshrining the hopes and aspirations of all progressive people of South Africa. The Freedom Charter promises that there shall be houses, security and comfort in the new South Africa. All people, irrespective of race and ethnic group, are promised to have the right to live where they chose, to be decently housed in order to bring up their children in comfort, and live in a secure environment. Slums were to be demolished and new suburbs built with access to adequate transport, roads, lighting, playing fields, crèches and social centres. The locations or townships, and their fencing isolating one area from another, were to be abolished, and laws breaking up families and discriminate against other communities were to be repealed. (Mandela, 1990: 53; Meli, 1988: 121)

In 1944 there were only four municipal housing schemes in Johannesburg: the Western Native Township, Eastern Native Township, Orlando and Pimville. Together there was a total of 14 000 houses, most of which were two-roomed. The squatter movement began in March 1944 with the exodus of hundreds of families of sub-tenants from Orlando who occupied open land near the township. These families built themselves shelters from sacking, scraps of wood and corrugated iron. A conflict between squatters and the

local authority emerged which was soon too complex to be stopped. The principle of territorial segregation embodied in the 1913 Natives Land Act was strengthened by the Native Trust and Land Act of 1936 (Maylan, 1989:166; Lodge, 1990:15-16).

Government policy makers began to perceive an incompatibility between the Local Authorities' provision of family houses for Africans within the existing urban boundaries and other strategic objectives of the Apartheid ideology. The Government further perceived that by 1978 urban African residents would be returning to their tribally demarcated homeland states from where they would commute to the urban white areas for employment. Providing permanent urban housing for Africans on a continuous basis and of relatively high standards had become a strain on the coffers of central and local Governments (Lodge, 1990:15-16).

2.2. INTRODUCTION OF HOSTELS

The period between 1958 and 1978 was characterised by the Government's further attempt to achieve "territorial segregation" in the housing environment along racial lines. The Apartheid Government introduced a policy for granting sub-economic loans for building a family house in the homeland townships. The urban Local Authorities were encouraged to provide only hostels for migrant African labourers, and not houses. Africans were expected to consider a hostel as a sleeping place after work and not as a home.

The result was that Africans had to share their room with others, which caused much tension caused by loss of privacy. The proceeds from the monthly levies for employing an African labourer were reallocated away from the urban township development programmes to the homeland development and commuter subsidy programmes (Lodge, 1990: 16).

The 1960's situation of economic growth and development in the urban areas attracted a large number of African migrants to the urban areas. While the housing supply for African migrants dried up, the size of the African urban population grew rapidly. Hostel accommodation and existing urban townships

consequently became more and more overcrowded. The Government's Apartheid-driven housing policy resulted in urban African housing shortage. Moreover, there was a real unwillingness of the existing settled African urban families to relocate to the homeland. The 1976 urban uprisings in Soweto and elsewhere caused the Apartheid Government to further focus its attention on the urban African housing situation and its relation to black politics. As a result the Government policy shifted towards accepting Africans as permanent residents in the urban areas. In 1979 loans for sub-economic African housing were re-introduced so that Local Authorities could provide housing to urban Africans. African home-ownership was now encouraged in a more sustainable manner compared to the past decades. The 1978, the Black (Urban Areas) Amendment Act allowed "qualified blacks" to acquire 99-year leasehold interests in land and property, and further allowed Africans to access mortgage financing. In 1983, the central Government authorised the sale of township houses to their occupants at a large discount while Government shifted more and more away from the earlier policy of not recognising urban Africans as permanent residents. The damage brought on by earlier housing policies, however, could not be undone. Although the proportion of Government financed housing for Africans did increase during the eighties, it benefited only a small percentage of the urban Africans.

Government housing policies also shifted from an emphasis on direct provision towards owner-occupation and market related intervention (Maylan, 1989: 168).

The broader economic environment became increasingly unfriendly to improve the housing situation of the African poor for both market and state-led housing initiatives. Chronic poverty in the rural homeland areas led to more migration to the urban areas, which aggravated the existing conditions of overcrowded housing, and increasing poverty in the African urban townships. The ineffective provisions of the influx control measures (which were finally abolished in 1986) transferred the problems of African rural poverty to the urban areas. The housing shortage and growing urban poverty consequently led to squatter settlements mushrooming around towns and cities (Sowman and Urquhart. 1998: 1).

2.3. HOUSING POLICY IN TRANSITION AND THE 'DE LEER REPORT'

The 1990's political changes radically affected all South African communities. Government had adopted a more relaxed attitude and consequently it was changing its policies. The housing policy unit of the Urban Foundation began advocating the introduction of a housing capital subsidy system. The first advantage, as brought forward by the unit, was that individual beneficiaries should be given subsidies according to their income and not their race group. But race membership would help to target the poor and unemployed. Secondly, accessing a capital grant would no longer depend on the beneficiaries' financial ability to access bank credits. In 1990 Government established the Independent Development Trust (IDT) in order to operate the Urban Foundation's capital subsidy model. The IDT finance scheme offered qualifying beneficiaries earning less than R1000.00 per month a serviced site. In 1990, President F.W. de Klerk appointed De Leer to chair a task team, which would advise Government on a new housing policy and strategy for South Africans. The task team later made the following recommendations:

- That a unified Department of Housing be established and be responsible for the development of a non-racial housing system.
- That all South Africans have access to housing, secure tenure, potable water, and energy source, sanitary and refuse removal facilities.
- That economically and socially viable community be integrated into a non-racial urban system.

The De Leer report also connected their investigation in housing developments with the macro economy and growth of employment. The report further recommended that the Apartheid structure of geographically and racially fragmenting subsidy schemes be replaced by a unified system of financial assistance in accordance with the beneficiary's income. Four categories of beneficiaries were defined:

- The first category defined beneficiaries earning an income of R1000.00 monthly or less as qualifying for a publicly owned site with basic services.

- The second category defined beneficiaries who qualified for a serviced site and a subsidised five-year loan of up to R5000.00, which should be used for a top structure. A deposit depending on the beneficiaries' income and a monthly contribution of 10% of the beneficiary's salary was required as repayment. Site ownership would only be transferred once the loan was paid off.
- The third and fourth categories consisted of beneficiaries earning R2000.00 and R3000.00 per month respectively, who qualified for a one-off capital subsidy to a maximum of R7000.00 and R6000.00, respectively, which could be used to purchase the site (Newton, 1998:19).

2.4. NORMALISATION OF THE HOUSING ENVIRONMENT

In 1992 the National Housing Forum (NHF) was formed. For the first time the main non-Government stakeholders in the South African housing system, including developers, mortgage lenders, civic organisations, the labour movement and political parties were brought together. The main focus of the NHF was to dismantle the existing fragmented Apartheid-based housing systems and offer workable replacements, which would be politically acceptable in the new South Africa. This meant that NHF was to negotiate with Government and banks for a short-term housing delivery programme and develop a housing policy for the new democratic South Africa (Newton, 1998:19).

The 1993 and 1994 Housing Arrangements Acts attempted to legislate the principles of non-discrimination, and to put Government Housing Departments across the country under one unified National Department of Housing. After the 1994 first democratic election, the Government adopted the following seven key strategies:

1. Stabilising the housing environment
2. Mobilising housing credit
3. Providing subsidy assistance
4. Supporting the peoples' housing process

5. Rationalising institutional capacities in the housing sector
6. Facilitating a speedy release and servicing of land
7. Co-ordinating and integrating public sector investments
(Housing Code, 1998)

The Botshabelo Accord signed by Government and private companies represented a popular expression of intent, and the substance and full text of the policy formally adopted by the Cabinet in December 1994 was gazetted in the White Paper on Housing. The stabilisation of the Housing environment was mainly a priority of the private sector, including mortgage lenders, who in the past had suffered from capital setbacks when debtors had boycotted bond repayments. Without Government making the housing environment conducive for investments, the principles of private sector participation and people-driven housing processes would not be achievable. Government had to make the environment conducive by addressing the following:

- (i) Creating political and administrative certainty by introducing stable and consistent policies and reliable administrative practices
- (ii) Creating and maintaining the environment by respecting the rule of the Law of Contracts
- (iii) Building trust between the private sector and communities

The following factors were recognised to be central in normalising the housing environment:

- the construction of quality houses
- regular payments of rates and taxes, rentals and mortgage bonds
- Competent local governance

In October 1994, the Record of Understanding was signed between Government, the private sector and communities, represented by South African National Civic Organisation to confirm the people's commitment in stabilising the housing environment.

In June 1995 the Mortgage Indemnity Fund (MIF) which was a Government-owned company was established to encourage mortgage lenders to resume

lending in the thus far neglected black areas. The MIF provided mortgage lenders with an indemnity insurance against losses resulting from non-repayment of bonds. The main functions of the MIF were the following:

- To encourage the banks to resume lending to people where lending was disrupted by circumstances created in the past
- To indemnify accredited financial institutions for the loss incurred by the breakdown of the rule of law
- To create an interface between Government, the private sector, institutions financing housing and communities to establish sound working relations

In an attempt to achieve the goals set out by the MIF, Government then implemented the Education Outreach Programme to provide housing information to bank defaulters and train officers staffing the housing information centres (Housing Code, 1998).

The MIF also introduced the Dispute Resolution Programme to assist communities and financial institutions to resolve disputes. In June 1995 Servcon Housing Solutions was established in terms of the Record of Understanding. This was done to resolve problems relating to banks repossessing houses as result of non-performing loans held by banks resulting from bond boycotts and clients' problems with affording the cost of loans. The National Home Builders Registration Council was established in June 1995 to provide set standards of building and to protect consumers from inferior building practices. New house buyers who wanted to use a bank loan to buy a newly built house were only allowed to buy a house, which was built by a registered builder. In April 1996 the National Housing Finance Co-operation (NHFC) was formed in order to provide housing credits to low income earners. In an attempt to achieve its goals, the NHFC focussed on the following three areas:

- Debt finance
- Equity finance
- Capacity building

Government stepped up its attempt to normalise the housing environment by introducing the Masakhane Campaign, which was based in the RDP office, and the Departments of Housing and Constitutional Development. The Masakhane Campaign became a people driven programme calling on communities and individuals to play their part in the reconstruction of the country. The main focus became the payment of rates, taxes and service charges, and the provision of effective and efficient delivery of local services.

In April 1998 the “New Deal” was signed. This replaced the Record of Understanding, and aimed at a greater co-operation and risk sharing between Government and the banks. The New Deal also stipulated that Government was not the only responsible body for financial risks but shared this with the financing institutions such as the banks (Housing Code, 1998).

2.5. CONCLUSION

To a great extent the current housing shortage must be seen as the product of Apartheid policies, which concentrated on planning for the whites. As a result low cost housing for the poor was far removed from the agenda of development for Black South Africans. Apartheid architects never thought that Africans would ever stay permanently in the urban areas. During the 1980s Africans began to illegally occupy undeveloped and vacant land, which resulted in squatter camps. During the 1970s and early 1980s, Africans moved to urban areas in large numbers resulting in overcrowded housing conditions. The 1990s political changes also affected the present housing environment resulting in even more squatter camps, which, incidentally, were given names of black political leaders. The 'De Leer commission' appointed by President FW de Klerk indicated that the need for the Government to assist in housing the poor. From 1992 to 1993, Government and non-governmental organisations formed a partnership to dismantle the Apartheid-based housing system. In 1994 a democratic government was established and committed itself to normalise the general housing environment and build houses for the poor.

CHAPTER 3

A CRITIQUE ON HOUSING POLICY AND ITS IMPLEMENTATION

We are homeless, we are starving, slums cause crime, and we slept in tents this winter (Lodge, 1987: 133).

3.1 THE HOUSING VISION

The vision of the Department of Housing of the Northern Province is that by the year 2020 all people of the Northern Province should be properly accommodated, that is within a decent, secure, viable and affordable housing environment irrespective of their race, gender, ethnic origin, religion, culture and disability (Rantete, 1998:4). What is necessary is that all sectors of the community channel their energies towards improving their personal socio-economic conditions, and so, ultimately, contribute to the national economic advancement.

The vision of the Department seems to be very ambitious and broad. There is a need for the Department next to its, rather natural, emphasis on the rural areas to, also, focus on development of the urban areas. . The rural areas of the Northern Province are vast and underdeveloped to such a measure that the 2020 target might be difficult to realise.

If, however, the Department seriously wants to try and realise such a vision, it may have to build low-cost houses in rural areas without providing any enabling infrastructure like engineering services (Housing Code, 1998).

3.2. THE HOUSING MISSION

The mission of the Northern Province Department of Housing is to provide - and maintain - habitable, stable and sustainable low-cost housing to the poor, to normalize accessibility to middle and higher market housing, and create alternative housing options within the integrated housing scenario (Rantete, 1998: 4). This is done to promote the increase of the number of viable

households, and consequently communities, in areas where all citizens have access to economic opportunities, health care, educational and social facilities (Rantete, 1998: 5).

It would be possible to gradually achieve the Department's mission, but there might be difficulties. One problem area relates to land "owned" by Chiefs. In fact, there are many problems surrounding the issue of secure tenure in rural areas that are controlled by the Chiefs. The Chiefs often do not want beneficiaries to be given secure tenure because they are under the assumption that this might erode their traditional (political) power.

Another problem is that it seems difficult for beneficiaries in rural areas to maintain the infrastructure such as the provision of water, sanitation and electricity. Before any infrastructural or housing development takes place it might be advisable for councilors, officials and developers to first get a commitment from communities involved whether they can and want to maintain such assets (Rantete, 1998: 9).

3.3. ANALYSIS OF THE IMPACT OF THE VISION AND MISSION OF THE DEPARTMENT

As said earlier, the vision of the Department of Housing sounds very ambitious, particularly since the political environment of the Northern Province does not seem to support the vision and mission. With the Northern Province being predominately rural and for a large part under traditional leadership, the present housing provision does not seem to satisfy the needs of rural dwellers for secure tenure. In fact, traditional leaders are challenging the issue of giving title deeds to low-cost housing beneficiaries. If much land in the rural areas continues to be under the absolute authority and jurisdiction of traditional leaders, it is unlikely that the Department will meet its goal of providing secure tenure by 2020.

The challenge of dealing with traditional leadership is not merely a provincial one. The role of traditional leadership versus the role of local Government needs to be defined further. This must be done either through amending the

Constitution or through an Act of Parliament, or the Provincial Legislature. The provision of the Development Facilitation Act of 1995, which provides a village with the possibility of community resolution, does not seem to provide a solution in this regard.

In fact in extreme cases the community resolution route may divide the community in the Chief's followers and the Transitional Local Council's followers. Naturally, Chiefs are vehemently opposed to community resolutions, precisely because they feel threatened and insecure as their control over the allocation of land to people becomes more and more eroded. The introduction of secure tenure in the rural areas seems to be interpreted by Chiefs as an attempt to terminate their control over their land and subjects. While Chiefs are not prepared to compromise their power and status, ordinary citizens want secure tenure in the form of title deeds to safeguard them from any tribal threat or demand from the tribe or Chief (Housing White Paper, 1994).

Although linking low-cost housing provision with the provision of an infrastructure for water, sanitation and electricity improves the standard of living, rural and poor people do not seem to be able to afford the maintenance of the infrastructure, let alone the payment of rates and taxes on these services to Local Authorities. Because of these problems it might be better to build houses that are not accompanied by the entire infrastructure requirement, but rather develop this gradually with the involvement of the beneficiaries themselves and the local authority concerned (Richard and Katrina, 1997: 88).

The non-affordability of the maintenance of the infrastructure and the houses themselves threatens the viability and sustainability of low-cost housing projects. Although many houses are of a good or reasonable standard, without maintenance they might rapidly dilapidate to an undesirable standard. Under these circumstances it is questionable whether the building of these houses will have the envisaged positive impact on the improvement of the socio-economic conditions of rural people.

The housing delivery system seems to be characterised by one-off projects, which come and go. This lack of continuity more than often results in erstwhile unemployed people becoming unemployed again. Thus, instead of achieving the desired for socio-economic upliftment and thus the poor remain poor. And, despite the input made by the delivery system, these poor people will still not be able to pay for the provision and maintenance of services.

The present housing policy links housing projects with bulk infrastructure, that is the provision of water, sanitation and electricity, irrespective of whether the area is rural or urban. Moreover, it does not consider the fact whether a community can afford the payment of service charges, rates and taxes to the Transitional Local Council. For this reason I feel that housing projects in the Northern Province, particularly those in the rural villages, may in future only be provided with bulk infrastructure if the community expresses its commitment to pay for service charges.

If the reality of the problem of affordability is not considered, Government runs the risk of providing a bulk infrastructure that is not sustainable, and thus the infrastructure might deteriorate to an unacceptable standard. A point in case is the Sinthumule–Kutama Water Project for which people continue to refuse to pay service charges and maintenance fees.

A good housing policy must also make sure that the urban unemployed, with no means of income, do not procure houses from a housing project in the urban areas. For urban housing projects it may be compulsorily to provide some form of bulk infrastructure. It might become necessary to consider the issue that houses in the urban areas should not become available for unemployed beneficiaries who cannot pay for rates and taxes.

Municipalities are supposed to collect service payments and render services to the (unemployed) beneficiaries, who in many cases might not be able to afford such services. If these issues are to be solved, the perception those housing projects are merely creating service problems for municipalities need to be changed. The current approach that the unemployed should be benefiting from an RDP house, no matter whether they can afford the

maintenance and the service fees, does not seem to work. The Department of Housing may have to suggest to the Department of Welfare that welfare centers might need to be established where the jobless and homeless could be temporarily accommodated.

The vision and mission of the Department of Housing are both consistent with the Constitution of the country; and also the policy framework has been instituted to fulfil the constitutional obligations. General problems experienced in the Department of Housing could be addressed by a firm implementation of the Housing Code and the Implementation Manual (Housing, Code 1998).

3.4. SUBSIDY ALLOCATION

The Department has introduced the following criteria for beneficiaries to qualify for subsidy:

- The beneficiary is married or has financial dependents.
- The beneficiary must be a lawful resident of the Republic of South Africa.
- The beneficiary's monthly household income must not be more than R 3 500.00.
- The beneficiary must be a first time property owner.
- The beneficiary must not have previously benefited from government funding.

The following table shows the subsidy amount for which beneficiaries of the different income categories are eligible, depending on the mechanism they choose:

Monthly household income	Subsidy for: Individuals, projects and relocation	Consolidation Subsidy	Rental or institutional subsidy
R0 – R 1 500.00	R 16 000.00	R 8 5000.00	R 16 000.00
R 1 500.00- R 2 500.00	R 10 000.00	R0	R 16 000.00
R 2 500.00- R 3 5000.00	R 5 5000.00	R0	R 16 000.00

For the purpose of assessing whether any particular person is entitled to receive a housing subsidy under this scheme, the income of the spouse, if any, must be added to that person's income. The housing policy, which benefits people with low or no income might have to change, particularly in the urban areas. That is, the housing policy should not continue allowing the unemployed and homeless in the urban areas to benefit from the subsidy. The people belonging to lowest income category may have to build for themselves in order to become eligible for subsidy.

People living in urban areas with a monthly income from R0.00 to R400.00 may have to be given accommodation in welfare centers. This is preferable to giving them houses they will not be able to maintain, and with services they are not able to pay for. People earning from R401.00 to R1 500.00 per month living in urban areas may be allowed to participate in the People's Housing Process in which people build for themselves. Beneficiaries in the category from R1500.00 to R3500.00 may be compelled to contribute financially towards the building of their houses in order to qualify as beneficiaries of low-cost houses. Alternatively they might be encouraged to participate in social (institutional) housing projects in which houses are built by developers.

But also the treatment of the various categories of people in the rural and urban areas might be different. Beneficiaries in the rural areas earning from R0.00 to R400.00 per month may be given an opportunity to participate in the People's Housing Process, while those beneficiaries in the urban areas are only given accommodation in the community welfare centers. Beneficiaries in the rural areas earning between R401.00 and R1500.00 may have to be encouraged to participate in the People's Housing Process. The last band, that is the category of beneficiaries living in rural areas earning between R1500.00 and R3500.00 should be given the same conditions as their counter-parts in the urban areas (Housing Code, 1998).

3.5. HOUSING OBJECTIVES

3.5.1 HOUSING AS A BASIC NEED

The South African Constitution (1996, section 26) has declared housing to be a basic need, and that Government is obliged to pass enabling legislation and set out administrative, financial, social and educational measures to fulfil its obligation to provide housing. While housing has been declared to be a basic need, the objective of the Department to use housing projects as a means to alleviate poverty does not seem to bear positive results. The reason for this is, as mentioned earlier that jobs created by these projects do not seem to be sustainable. People are employed on a one-off basis and few of them are able to move from one project to another as their employers move.

It is also not clear whether the poor regard the ownership of a house as a means to alleviate poverty. Most municipalities are repossessing RDP houses when beneficiaries are not able to pay for rates and taxes. The solution to community priorities will be the compilation of local economic objectives by the communities through their municipalities

3.5.2. HOUSING AS A VITAL PART OF INTEGRATED DEVELOPMENT PLANNING

The establishment of low-cost houses in towns, cities and villages is aimed at promoting the integration of housing planning and development. While the strategic objective of integrated development planning seems to be a good idea, the option in the policy which allows the unemployed to become beneficiaries of low-cost houses could lead to the establishment of slum areas in towns and cities.

As a rule the housing projects are in areas where the unemployed and the poor live. As a consequence of the absence of means for house maintenance and service charges and thus the chance for a general deterioration of the living environment these areas could later become dangerous areas, where it will be difficult for the police to enter and maintain law and order. Therefore

low-cost houses in towns and cities should not be available to the unemployed, who have no means of income, but only to people earning between R801.00 and R3 500.00 a month. People falling within this category can be expected to pay rates and taxes to their municipality and maintain their houses.

If the statutory obligation of the payment of rates and taxes by all residents continues to be ignored in the implementation of the housing policy, the National Government may have to increase funding such as 'the indigent policy and inter-governmental grants which also assist beneficiaries to pay for their charges so that municipalities can continue to provide a service. If this option is not considered, the future of municipalities will be threatened because the municipalities' tax base will, consequently, be eroded (Stener, 1994: 90).

3.5.3. HOUSES FOR FREE

A policy provision that allows low-cost houses to be allocated to beneficiaries free of charge seems to contribute to the creation of financial difficulties for municipalities. Beneficiaries appear to lack a sense of ownership with regard to these houses because they literally have not worked for them, or bought them. There is a tendency for these beneficiaries not to take care of their houses. Some of the low-cost housing beneficiaries even sell their houses at a lower sum than they were built for, or they are used for purposes they were not built for. For example, some houses in Tshikota were sold for R5000.00 while in Mhinga some houses are used as brothels.

It follows that the National Department of Housing may have to revise the idea of giving low-cost houses to beneficiaries free of charge. Beneficiaries falling within a designated category should rather build their own houses, while others might have to make a financial contribution to the building in order for them to benefit from a subsidy. In other words, people will develop a sense of ownership if they earn these houses through their own hard labour or through their financial contributions (Constitution of the RSA, no. 108 of 1996).

3.5.4. HOUSING AS A MEANS OF EMPOWERING EMERGING CONTRACTORS

One of the strategic objectives of the Housing Ministry is to enter into agreements with emerging contractors, women developers and youth as a means of empowering formerly disadvantaged groups. This objective aims at creating jobs for local manufacturers and contractors through labour intensive construction methods. Most of the emerging contractors, however, experience financial difficulties, which makes it difficult for their projects to get off the ground as early as the Department expects. Although such projects are labour intensive, some of the houses produced by such contractors are not up to standard and have been known to fall apart within six months.

The problem of emerging contractors, at present often functioning on a one-off basis, can be solved by the establishment in our province of offices of section 21 companies, like NURCHA, to give guarantees to emerging contractors.

Generally, the construction of houses and infrastructure as one important aspect of the housing projects is one of the thorniest issues the Department faces. The Department does not only experience problems with the emerging developers and contractors but also with the established ones. Established developers sometimes manipulate civic leaders who, incidentally, in some projects are also members of the Project Steering Committee. They also seem to manipulate officials, who assist the developers in receiving payment for the finished houses. Sometimes these houses are poorly built, or have no allocated beneficiaries, or have no "happy letters", that is, letters signed by beneficiaries on accepting their houses. In fact, there are a number of housing projects with houses built by established developers, where the houses are of poor quality, and where sometimes the subsidy for houses was claimed twice. The Mhinga project has houses without allocated beneficiaries whereas the Department did receive "happy letters" and paid the developer for the construction (Monitor, 30 October 1998).

The problem of the established developers is both political and administrative. It needs the Housing Member of the Executive Council together with the Head of the Department issuing a strong warning to civic and public servants not to accept manipulation by developers. Also communities need to be empowered so that they can be in charge of their own development and become familiar with housing policy procedures. In terms of administration, problems in housing development demand that the implementation of the Housing Code be done without any compromise. This requires managers to use a hands-on approach with regard to all policy matters, and apply the Public Service Code of Conduct strictly to prevent officers from accepting bribes. The involvement of any officer in receiving bribes and doing developers favours should compel the Department to take serious disciplinary measures against such an officer.

3.5.5. CONTRACTUAL OBLIGATIONS

To date the Provincial Department of Housing is entering into contracts with developers to build houses in areas of Local Authorities' jurisdiction without the Local Authorities being signatories to such agreements. This situation makes it difficult for Local Authorities to monitor and inspect housing projects. Also some developers make it very difficult for Local Authorities to monitor and inspect such projects because they clearly indicate to these Authorities that they have not entered into contract with them but with the Provincial Department of Housing Board.

The solutions to these difficulties possibly lies with contractual agreements being signed between the Provincial Department of Housing Board, the developer and the Local Authorities.

Another issue is that developers are not adhering to the contractual period within which a particular project should be finished. This leads to over-commitment and non-spending by some of the projects. This, in turn impacts negatively on the Department's budget allocation from the National Department of Housing (Rantete, 1998: 6).

3.6.LEADERSHIP, STRUCTURE AND CULTURE

“ My door is always open but I am not prepared to discuss allegations made through the media” MEC Edgar Mushwana (City Press, 14 March 1999).

The leadership of the Department operates as an open system. This school of thought makes it easier for all officials to have input in the administration of the Department. While the interaction between senior managers, middle managers and staff is not quite up to expectations yet, the open system could possibly strengthen both internal relations and commitment. Like in any bureaucracy the structure of the Department has levels of management and responsibility. The open leadership paradigm makes the issue of the bureaucratic and managerial structure less rigid.

It is unfortunate that the Department's adherence to the open system of management seems to contribute to over-democratizing. At times senior managers delegate functions directly to junior officials, thereby passing by middle management, but later turn to their middle managers when the delegated job has not been performed as expected. Junior officials' end up handling matters, some of a serious nature without the knowledge of their supervisors or even top management. I feel that the situation is becoming bad when top management and supervisors only know that problems exist when junior officials fail to respond to queries raised. While the Department seems to have ample human resources, some officials clearly have been assigned the wrong function and duties. It may well be necessary for the Department to audit skills and knowledge of all the Department's officials and place them in terms of their competencies.

In order to relocate officials with known expertise and qualifications to relevant directorates, the situation needs the attention of senior managers. The relocation of officials will have to be accompanied by firm decision-making that is implemented without discrimination or fear.

The leadership's firm hand with officials and developers in implementing policies may, amongst others, reduce the Government's embarrassment of

houses being built without beneficiaries. To further reduce embarrassment, the Department has to enable local councils and local communities to drive their own housing development. The local council and local community's participation may assist in minimizing the problems presently faced by the Department.

The leadership problems experienced by the Department further deteriorated when officials went to press to wash their dirty lineament with the MEC's office. MEC Mushwana, in the City Press, 14 March 1999, stated that it is evident that there are people who do not like him, however, but he will not hold any grudges against anyone. A scenario in which the MEC and his officials blame each other in the newspaper for the delay in the housing delivery is utterly undesirable. There are allegations that the MEC is a dictator, who ignores other officials and prefers to work with a selected few, who, incidentally, are junior officials. And also that he in doing so by passing senior management. If this is true, then the MEC's leadership and management style is a source of problems.

The leadership and culture in the Department as displayed through the media also indicates that there is a lack of communication between the administration and the MEC's office. Despite all allegations against the MEC, the road taken by officials to expose internal differences via the media does not seem to be appropriate way to improve the housing delivery. Generally the officials' morale and attitudes towards their work seem to be that it is 'business as usual'. Consequently management is faced with the challenge of addressing the housing problems rather than focussing on inter-personal differences and conflicts (Sowetan, 16 March 1999).

3.7. ENVIRONMENTAL CONSIDERATIONS

Past housing policies have resulted in low-cost housing developments with extremely poor living environments. Many housing developments are nothing more than blankets of free-standing boxes that are badly planned and built, lacking in community facilities and located far from transport and economic opportunities (Sowman and Urquhart, 1998:4).

Environmental implications are inherently linked to sustainable housing and quality of life in general. Human settlements where air and water pollution are non-existent, water and energy are accessible and planting of greens is promoted, can be regarded as environmentally sound. Healthy and sustainable settlements provide a good living environment. To date the Department of Housing has done little or nothing to connect with developers to consider environmentally sound development practices. The consequences of this omission are that many of the low-cost housing projects have become smoggy settlements, built on barren wastelands that deprive residents of the quality of life (Pearce, 1993: 20).

Environmental issues like access to sufficient clean water and energy, and a sustainable and productive living environment cannot be sufficiently addressed without consultation taking place between the Departments of Housing, Mineral Affairs and Energy, Environmental Affairs and Tourism, and Water Affairs and Forestry. A truly integrated development approach will promote the development of environmentally friendly low-cost housing, and will encourage environmentally sound practices in the housing sector and housing initiatives (ANC/ RDP, 1996: 6).

Through its subsidy schemes the Department of Housing is building hundreds of low-cost houses. Most houses are built without any consideration of the environment. Each day South Africa is missing out on hundreds of opportunities to get things right from the start in the housing sector. Affordability, human health and a clean and balanced environment are supposed to be monitored and linked to housing development. It seems, though, that the Department of Housing is more concerned with the provision of houses *per se*. The Department is prepared to spend 15% of a subsidy of R16 000.000 to address geo-technical problems. I feel that in the interest of 'getting things right' and ensuring that the housing projects actually do improve the quality of life of the poorest of the poor, the housing provision must also include an environmental study (Richard and Katrina, 1997: 31).

In this regard Fuggle et al remark that it is universally accepted that, according to the present trends, we must expect the world, and South Africa,

to become more crowded, more polluted, less ecologically stable and more vulnerable to natural hazards in the years ahead. These trends are leading to a reduction in the quality of life for all people.

Most low-cost houses have been designed without taking into account the climatic conditions in South Africa. These houses tend to be hot in summer and cold in winter. As a result they require a significant energy consumption, and thus high household expenditure, in an attempt to make them comfortable. It follows that low-cost housing beneficiaries may have a high energy consumption, which in many cases, they cannot afford. Therefore sound energy principles must be incorporated into the design of low-cost housing plans. If the environmental aspects were to be part of the design of low-cost houses, the results might be: as follows:

1. Cost saving for beneficiaries through the reduction in the demand for household energy needed for heating and cooling
2. Fewer illnesses and injuries
3. Minimised depletion of non-renewable energy resources (Fuggle & Rabie, 1992:2)

Fuggle et al state:

Because of the way we live today our civilisation is at risk. The 5.3 billion people alive now, especially the 1 billion in the best-off countries, are misusing natural resources and seriously over stressing the earth's ecosystems (Fuggle & Rabie, 1992:2).

The energy needed for a household is largely informed by natural elements such as sun, wind and rain. Therefore, in order to make optimal use of these natural forces and minimise their negative influence on the buildings, the planning, location and orientation of the houses is of critical concern. South Africa and particularly the Northern Province have a limited and erratic rainfall pattern. It is essentially a drought prone area.

The ground water reserves are small and are becoming increasingly more fragile. Year by year, additional sources of clean water are becoming both

more difficult to find and more expensive to develop. It is therefore essential that an integrated approach is developed to conserve water. Housing developers and designers should not underestimate what they can achieve when confronting this issue. For example, a poorly designed sanitation system poses a very real risk to the environment, water sources and health through the contamination of ground water. The Department is at a key position: the rural housing policy places the Department in a good position to assist in managing the provision of sanitation facilities. By taking this issue seriously the Department can ensure that reasonable measures are taken into consideration to prevent ground water contamination caused by poorly designed sanitation systems (Fox, 1995: 58).

Low-cost housing developments are generally characterised by a lack of environmental planning. In the interest of long term sustainability, they should have a minimal impact on the environment and include the following principles:

- Developments in areas of shallow ground water should be avoided.
- Destruction of sensitive ecosystems should be avoided.
- Pollution and degradation of the environment should be avoided.
- Developments within flood plains and along rivers and streams should be avoided. The reason for this is the risk of human injury and increased pollution resulting in a disruption of the ecological balance of the water system. (National Environment Management Act, 1998).

In this respect Fox states that

“We ought to preserve the non-human world because it provides us with all sorts of free goods and services that are essential to our healthy physical survival and development” (Fox, 1995: 157-158).

The attitude of viewing urban green as a luxury should change because urban green is actually a necessity and can significantly contribute to an enhanced quality of life. Thus developers and contractors will have to make special efforts to preserve the topsoil on site, as the success of planting initiatives is largely dependent on the quality of the topsoil. Beneficiaries will have to be

encouraged to plant grass, ground cover, and shrubs as this will assist in the capturing of run-off rainwater and will thus help to prevent soil erosion.

Food security is a major problem amongst poor communities. While developers may not influence beneficiaries' landscaping decisions once houses have been delivered, early information can be provided about growing fruit trees, vegetables and herbs to create a better food situation. Productive gardening is an environmental feature that can provide aesthetic relief. Edible plants add to the health and well-being of households by supplementing families' nutritional intake. It is therefore necessary that developers, local and provincial authorities and community-based organisations provide new housing beneficiaries with information on appropriate plants and productive gardening methods. In doing so the housing projects become more sustainable.

Eckersley contends that:

Without serious consideration of man's actions today, future generations will find a more crowded, more polluted, less ecologically sound environment, an environment much more vulnerable to disruption than it is at present. Serious stresses involving population, resources and environment are already clearly visible in the near future (Eckersley, 1992: 13).

3.8. LAND TENURE REFORM

The land shall be shared among those who work it (Freedom Charter, 1955).

The land tenure system is about the terms and conditions through which people hold and access land. These terms and conditions are usually prescribed in the law or arise from the social agreements and contracts that communities enter into, which may be in terms of custom or practices.

How secure the land tenure rights of people are depends on a number of factors that underpin these laws and agreements. Such factors ensure that the holders of land are not vulnerable to the interference of outsiders or the

State, and, where such interference does take place, that they have alternative recourse to the law. Of primary importance to the provision of secure tenure rights is the role of Government.

For the purpose of accessing the housing subsidy, land tenure should be sufficiently secure if the beneficiary's right of occupation is protected either in terms of ownership or in terms of rental lease agreements, and either by law, or by traditional tenure arrangements. It is the ability and the willingness of the Government to intervene on behalf of the stakeholders which ensures that people have security of tenure. In this regard, the Government has to enforce the provisions made in the law (whether this is common law or legislation). Some people have argued that the only form of security of tenure is title deeds, assuming that a title deed is a sufficient condition for secure tenure. This, however, is a fallacy, as has been demonstrated in the past by the forced removal of black people from the so-called white urban spots. For, indeed, most of the people who were removed from these areas had title deeds to the land they lived on. And in spite of this, the Government of the time was not prepared to underwrite these title deeds. Coercive force was used to remove the title deed holder. This lack of political will to protect the rights of the people, in fact a blatant over-riding the rights of the people was informed by the prevailing philosophy of racial discrimination guiding the Government of the day. (Housing Act no. 107 of 1997).

Currently in South Africa, the Constitution and the Bill of Rights provides for the protection of property rights. These property rights are defined as such so as to also include informal rights to land. Apart from the protection of property rights, the Constitution gives a mandate to the Government to take certain actions to ensure that those people whose rights to land were previously insecure or vulnerable are provided with security of tenure.

Particularly the Department of Land Affairs is engaged in endeavours to comply with the Constitutional injunction to provide security of tenure to those people who were previously denied this. To this end a number of existing laws are presently being reviewed in the notion of strengthening them in order to protect individual tenure and land rights. Furthermore, new legislation is

being planned to cover the gaps that exist in the law with a view of extending security of tenure to all South Africans.

There are also other factors, which enhance security of tenure. The existence of a deeds registration system, which is fully integrated, with the surveying system, enhances the security of tenure in the sense that it provides clarity as to who has what piece of land. On its own, the registration and surveying of land do not provide security of tenure but they do supplement the existing tenure systems. The clarity they provide is very important when it comes to dealing with land ownership. It ensures that third parties who want to deal with land know exactly who to interact with.

The Interim Protection of Informal Rights Act of 1996 (Act 31 of 1996) is an interim mechanism to protect the insecure land tenure rights held by many South Africans, pending long-term tenure reform measures including legislation. This is an indication of the political will on the Government's side to ensure secure tenure for all South Africans. As indicated above, political will is extremely important. Even people with title deeds can be deprived of their right to land, as history has shown.

The approach the Interim Protection of Informal Rights Act adopted was to provide protection subject to section 2(4) of the Act. With regard to the provisions of the Expropriation Act of 1975 against deprivation of rights, the Act ensures that the process of deprivation happens only with the explicit consent of the holder of the informal right. This means that unlike in the past no person and no part of Government (whether national, provincial or local) can disregard the views and concerns of the groups or individuals who have historical rights to land which is presently registered as state land (an anomaly created by the Apartheid regime). The Department of Land Affairs recognises that the people who are the *de facto* occupiers of such land are the owners of the land, and not the State.

Ironically, it is through policies of Governments of the past that the present Minister of Land Affairs finds herself in the position of being the national owner of such land. The Interim Protection of Informal Rights Act neither

stops development nor freezes land transactions, and does not stop the development of housing. It merely ensures that the vested interests of long-term occupants of the land are recognised and accorded legal protection.

The effect of this is that where land is being developed or transactions are concluded, people with informal rights to land must be treated as owners in such a process. Thus, importantly, the Act is removing the assumption that people in communal areas have insecure land tenure (also see Development Facilitation Act no. 67 of 1995).

The Department of Land Affairs has come up with Interim Procedures Governing Land Development, which require the consent of the Minister of Land Affairs as the national owner of the land before decisions are taken. The aims of these procedures are twofold: it allows the Minister as the nominal owner to agree to propose development, and secondly it makes it possible to identify the rightful beneficiaries. Within the claiming group, group members will be able and are required to confirm the other member's status as informal rights holders, thus a list can be drawn up of the members making up the group. This list then serves as a confirmation of the security of tenure of the individuals within the group.

Long-term tenure reform measures, which involve the drafting of new legislation, will bring the law in line with reality by ensuring that rights and interests have a legislative basis, confirming their content and protecting beneficiaries from arbitrary interference or confiscation, whether by the State or by third parties. However, this process requires extensive research and consultation, and therefore by definition is time consuming. The National Department of Housing is in the process of coming up with such legislation. This will amongst other issues include the Department's policy proposal for the transfer of land to African traditional communities. In this proposal it is suggested that land should only be transferred once an African traditional community has a system in place of recording or administering land rights. Traditional or other systems will not infringe in any way on the right of freedom of association of members as protected by the Constitution. Attention need to be given to issues such as exit procedures and the need for

compensation if households decide to leave a particular African traditional community. This might entail that there may be an obligation on the community to compensate the exiting household for the money that has been invested in the house. The reason for this compensation is that once individuals have benefited from housing subsidies they will not qualify for a another subsidy (White Paper on Land Affairs, 1994).

In terms of the White Paper on Land Affairs there is an agreement between the Department of Land Affairs and the Department of Housing to the effect that rural people with functional security of tenure must be eligible for housing subsidies. Functional security implies that the system for administering and allocating land rights is successful for such community. In 1997 proposed amendments to the Housing Manual are in the process of being finalised. These amendments set out a procedure that needs to be followed where undisputed tenure exists in practice. This will then be recognised as sufficient security for granting a housing subsidy. However, in contested and disputed situations a rights inquiry should be done. The purpose of the rights inquiry is to determine the person who has rights, and the content and nature of such rights.

3.8. THE HOUSING ECONOMY

The absence of access to adequate housing in South Africa seems to be aggravated by low economic growth which leads to high unemployment and large numbers of low-income households which in turn are unable to afford adequate housing. It is my opinion that the economy cannot grow if it does not attract foreign investment, and thus Government must create an environment conducive to attract foreign investment. A conducive environment can be created if a climate of law and order and civil obedience prevails. The environment must be favourable for a balanced and competitive market to which everyone has equitable access. Sound economic policies, which are consistent and predictable, are a further prerequisite.

Although Government's investment in low-income housing can contribute to economic growth and to a certain extent also to job creation, it can never be a

primary driver of economic growth. It must be stated, however, that low-cost housing, in particular, does lead to labour intensive practices that provide work to people with relative low skill levels. For these reasons, and others, housing is a growth catalyst of value to the social-economic well-being of the nation. Through the Government's ongoing investment in low-income housing, thousands of job opportunities are created and/or sustained through the delivery process. Housing has a low import propensity, and has forward and backward linkages with the rest of the economy. Through this the housing delivery process stimulates indirect employment creation and economic activity across a broad spectrum (Nash, 1994: 70).

The use of local labour and small contractors in the housing delivery process will ensure the circulation of wages in local economies and result in a local multiplying effect. When houses are correctly designed and regulated, housing can serve the dual purpose of providing for a living and a working space and as such may generate income. The Government's housing mission is to establish a sustainable market-driven housing process. Long-term sustainability demands a progressive movement away from a providing, 'hand-out', approach in the direction of people housing themselves. The long-term objective must be to promote economic self-sufficiency. One of the means is obtaining access to adequate housing. Special attention has to be given to the long-term effects of the economic restructuring of the low-income housing market.

3.10. INFORMAL SETTLEMENTS

The establishment of informal settlements is not a unique feature of South Africa. It is a world-wide phenomenon, but it is especially dominant in both underdeveloped and developed countries where there is a high population growth, a slow economic growth, a high rate of urbanisation, lack of access to land and inadequate shelter provisions.

As stated before, in South Africa, the old Apartheid laws that controlled housing and tenure policies played a major role in denying black people access to land in certain areas and land ownership in general. The relaxation

of the influx control measures in the 1980s resulted in the mushrooming of informal settlements. Then the growth of informal settlements accelerated because the Government lacked a comprehensive land-and-housing-strategy that could deal with the growing needs of migrating rural dwellers to urban areas. In some cases, land invasions by the homeless were used as a way to gain preferential access to land and formal housing schemes.

Informal settlements clearly have a negative effect on the quality of life. There is a lack of basic services like health care, there is overcrowding, instability, uncertainty about the future, crime, and pollution. Generally speaking informal settlements have a negative impact on the environment. They also negatively affect the surrounding communities and individual landowners. The problems accompanying informal settlements cause the value of property in the surrounding areas to depreciate.

One of the most contentious urban issues of the late eighties and early nineties was the objection of middle to higher income communities to the establishment of informal settlements in their immediate residential neighbourhoods. This was commonly known as NIMBY-ism (Not In My Back Yard) and resulted in many communities being removed or relocated.

It is obvious that the need exists for Government to develop a policy and strategy in order to address the upgrading of informal settlements. A clear housing programme must encounter the growth of informal settlements, as an uncontrollable response to urbanisation pressures. This will then focus on stabilising, regulating and upgrading the existing informal settlements in order to progressively improve poor people's living conditions. The informal settlement-upgrading programme must receive priority in provinces and municipal areas where informal settlements are prevalent. They must receive priority and constitute a primary strategic thrust. Municipalities must be encouraged to change their negative attitudes towards informal settlements (Sowman and Urquhart, 1998: 47).

The impact of the new housing development has been minimised by the lack of the Government's comprehensive strategy for informal settlements. In the

recent developments, the National Department of Housing has initiated a comprehensive study and based on this will develop guidelines for the upgrading of informal settlements, and for linkages with new developments. Generally, the Department's present guidelines and policies can be utilised to fund the informal settlement-upgrading programme. They are well suited to fund upgrading efforts, which will provide access to land and security of tenure. Also the South African Land Survey and Deeds Registry system is conducive to orderly development, while expertise exists to design and build the required houses in the designated areas.

If the present Government is committed to upgrade informal settlements, the following issues must first be investigated before amending the housing policy:

- (i) Introducing a planning grant for upgrading of informal settlements
- (ii) Introducing an additional facilitation grant. Community participation and contribution should be regarded as a prerequisite for benefits from the planning grant
- (iii) All households regardless of their income should qualify to benefit from the planning grant, access to land and services, and receiving a top-structure (Sowman and Urquhart, 1998: 47).

3.11. FINANCING THE PROVISION OF HOUSING

*Is the old dead? And is the new ready to be born?
(David Porteous and Keith Naicker, 2000:1).*

Although the existing housing finance provisions have been in place for the past six years and have assisted the Government to make a significant impact in delivering low-cost houses to the poor, there is much room for improvement. One of the serious challenges lying ahead is housing the poor. The 1996 population census indicated a housing backlog for 1.5 million families in the rural areas. In terms of the Department of Finance's Medium Term Expenditure Framework (MTEF), about R3 billion a year must be spent on housing subsidies. This translates into 188 000 subsidies. It further sets out the four main delivery models for low-income housing that were used to

allocate approximately 750 000 subsidies in the period 1995- 1999. 73 000 of these subsidies were linked to mortgages, 10 000 subsidies were part of the People's Housing Process projects, and about 2% of approved subsidies were institutional subsidies and the rest reserved for project linked projects.

The National Presidential Lead Project on Housing aims at delivering at least 50 000 housing units of which 75% will be rental housing. The national housing finance framework is geared for a change in the near future. Added to this, the Department of Housing and NURCHA are setting up a national housing savings scheme with the possibility of launching a savings-linked subsidy scheme. The housing policy is also changing its focus from an emphasis on urban housing to one on rural housing. This is accompanied by a new formula for allocating housing funds to provinces, which is positively biased towards allocating more funds to provinces with a large rural population (Housing Code, 1998).

3.11.1 PROBLEMS AND CHALLENGES FOR THE EXISTING HOUSING FINANCE STRUCTURE

Government's goal is to increase the housing's share in the total state budget to five percent and to increase housing delivery on a sustainable basis to a peak level of 350 000 units per annum, within a five year period, to reach the target of the Government of National Unity of one million houses in five years (White Paper on Housing, 1994).

The new Government's housing policy has made significant achievements: a large number of the housing units were delivered and a good housing policy framework has been established. There are, however, a number of policy problems that need Government's attention and these problems are centred on the housing subsidy scheme, the housing credit structure, and housing policy in general.

3.11.2. INSUFFICIENT AND UNEVEN FLOW OF FUNDS

South Africa's past policies have created a huge backlog in low-cost housing delivery especially for the black African population. The present Government, too, seems to be spending less than it should if it is serious about reducing the number of homeless people. While South Africa is spending an average of 1,6% on housing delivery, as shown in Table 1, other countries like Brazil and China are spending 3.7%.

TABLE 1: Housing expenditure

Year	Expenditure on housing in percentages
1995/1996 budget	0,7%
1996/1997 budget	1,2%
1997/1998 budget	2,4%
1998/1999 budget	1,9%
1999/2000 budget	1,6%
2000/2001 budget	1,4%

The 1997/1998 housing expenditure seems high in comparison to the expenditure in 1995/1996 and 2000/2001. The danger of decreasing the housing budget is that the rural and urban housing backlog will not be addressed sufficiently. Doubling the housing subsidy budget, however, would help to eradicate the urban housing backlog and would enable inroads in dealing with the rural housing backlog (Newton, 1998: 16).

Another problem is that the housing subsidy funds are uneven and often inadequate. One of the reasons is that some Provincial Housing Development Boards have run out of money and have had to freeze a number of approved new projects. This affected the housing delivery rate and it has become uneven.

One of the mistakes committed by PHDB (Provincial Housing Development Boards) and the Department was that some projects were approved, which were not quite ready for implementation, or had serious problems that should

have been sorted out prior to approval. For example, the Alldays housing project in the Northern Province was approved in 1996 and up to date it has not been implemented because there is a water shortage. Some projects have been approved while there was no land available to implement them. In some projects chiefs refuse to sign the community resolution to make traditional land available for housing projects (Smith, 2000).

3.11.3. UNCOORDINATED AND INEQUITABLE SUBSIDISATION

Different types of subsidy exist for housing delivery. They origin from different sources and there is little co-ordination between them. This lack of co-ordination results in huge inequalities in the amount of funding received by similar beneficiaries in similar projects but in different areas.

Apart from the PHDB's subsidies, there are facilitation grants, People's Housing Process support grants, start-up grants for housing institutions from the Social Housing Foundation, and a number of hidden subsidies from local municipalities. The Department of Constitutional Development has introduced the Consolidated Municipal Infrastructure Programme (CMIP) grants for subsidies of up to R3 000 per housing unit to be used for the provision of bulk infrastructure. The Department of Land Affairs has introduced the Settlement or Land Acquisition Grant of R15 000 for the landless. The National Energy (Electricity) Regulator (NER) has introduced a subsidy for new electricity connections. Many local municipalities subsidise the cost of land and internal infrastructure and some provide grants or soft loans to non-profit developers and housing institutions. All these subsidies and grants are not sufficiently co-ordinated and do not necessarily meet the beneficiaries' expectations and might not ultimately improve their standard of living (Titi and Singh, 1995: 50 and Smith, 2000).

3.11.4. SUBSIDY VALUE NOT IN LINE WITH INFLATION

The present R16 000.00 subsidy, which is allocated to beneficiaries by the Government, does not seem to be in line with the inflation rate for building a habitable house for a family. The real value of the maximum subsidy has

decreased by 22% over the period June 1995 - April 2000. Even when we take the VAT rebate on the subsidy into account, the real value of the subsidy has declined by 11% from 1996 - 2000. This decline in the real value of the subsidy means that whereas it was possible for developers to build a low-cost house on the minimum standard serviced site in 1995/1996, it is extremely difficult to built a low-cost house today without any additional subsidisation (Stener, 1994: 88 and Smith, 2000).

3.11.5. SUBSIDY APPROVAL AND PAYMENT MECHANISM

While there are PHDBs, which have successfully attempted to speed up both approval and payment processes, the two processes are in general still too cumbersome to handle. There are blockages with payments, in particular it causes problems when progress payment No. 2, which is township planning and survey fees, is made before progress payment No. 1, that is the township establishment completion. The other payment blockage is the payment of progress payment No. 5, which is the building of the top-structure, before progress payment No. 4, namely transfer of property.

Most projects in the Northern Province are presently not performing because of problems around the above named progress payments. This may result in the province on the whole not performing very well in the area of housing delivery, and consequently receiving a reduced budget allocation in the next financial year. In some cases, developers do not find it worth their effort to obtain the final payment, and they abandon the housing projects before actual ownership has been transferred (Smith, 2000 0).

While these blockages may seem restricting the housing delivery, relaxing these provisions will also a have negative impact. As a result of the latter the PHDB may be left with many houses without beneficiaries like what happened in the Mhinga Project (Housing Code, 1998), the project I will consider in detail in Chapter 4.

3.11.6. TARGETING THE BENEFICIARY'S INCOME

It is uncertain to what extent the subsidy is being accurately allocated to a beneficiary. Income alone is not a good measure for poverty. The most deprived are not necessarily those with the lowest income. Some beneficiaries may earn a reasonable income but be responsible for large extended families, which makes it difficult for them to top-up the subsidy. There is also a widespread under-declaration of income, which means that some households are accessing larger subsidies than they are entitled to. This is a very difficult issue to investigate because of the large number of beneficiaries and the high possibility of under- estimation and -declaration (Skinner and Rodell, 1983: 106).

3.11.7. LACK OF AFFORDABILITY

Many beneficiaries of low-cost housing units are unable to pay for rates and taxes, and service, water and electricity charges. These beneficiaries end up owing municipalities more than what they will ever be able to afford. It follows that merely 'handing out' a house to an unemployed person who obviously cannot pay rates and taxes creates a serious long-term liability to municipalities.

Furthermore, non-paying beneficiaries run the risk of being disconnected from services, or even losing their houses, when municipalities repossess and sell their houses. If this happens these people will consequently no longer qualify for a low-cost housing subsidy since a housing subsidy can only be allocated to an individual once (Skinner and Rodell, 1983: 106).

3.11.8 HOUSING CREDIT

The problem with housing credit includes the inappropriateness of formal finance structures, non-credit worthiness, informal redlining, lack of secondary market and grey-gap. Even though there is an agreement between banks and government that banks will also provide finance in the former black

areas, banks are still not prepared to be involved in the low-cost housing. Most of the beneficiaries of the low-cost houses are also not credit worthy and cannot as a result access loan from banks. South Africa lacks a secondary market, which can finance low-cost housing. As a result it is difficult for beneficiaries of low-cost houses to improve their houses to meet their expectations. This situation makes it difficult for government to provide housing in a sustainable manner (Smith, 2000).

3.11.9. INAPPROPRIATENESS OF THE FORMAL FINANCE STRUCTURE

Unlike other developing countries, South Africa does not seem to lack the capacity for mortgage lending. The real issue seems to be that provisions regulating mortgage lending are inappropriate for low-cost housing delivery. Moreover, formal financial institutions seem to lack the ability to work with low-cost borrowers. The sad truth is that many households have overextended themselves on credit and have, as a result, lost their properties. As an indication, in June 1999 South African Banks had 33 000 non-performing loans worth R1.8 billion in the black townships areas. Another form of credit is loans secured by pension/provident funds. While these forms of loans have increased they may not be the most appropriate forms of credit for the poor, because it puts the borrower's pension/provident fund at risk (Hettne, 1996: 50 and Smith, 2000).

3.11.10. REDLINING

Some of the areas, particularly the black townships, have been redlined by banks as areas, which are not viable for investing in through mortgage bonds. In other areas, particularly in the incremental housing projects in former black townships, it is very difficult for a beneficiary, who would under normal circumstances qualify for mortgage financing, to acquire access to a loan (Smith, 2000).

3.11.11 LACK OF A SECONDARY MARKET

Micro-lending may not seem to be the best option for financing low-cost housing, but it could be something to be considered, particularly since there is no secondary market for low-income housing in our country. Although the present system of housing subsidy is the single largest transfer of wealth, it might in the long run be meaningless if it is not supplemented by money from other sources, such as from the secondary market. Currently most low-cost properties are sold for nominal prices because non-paying borrowers are unable to sell their properties through a sale of execution. The same is true for financial institutions, they, too, struggle to sell the houses they have repossessed.

There is little incentive to invest in the low-cost property market because of the high number of repossessions and the banks' reluctance to grant mortgage loans to low-income housing owners (Housing White Paper, 1994 and Smith, 2000).

3.11.12. GREY-GAP

Housing beneficiaries earning between R1 500 and R3 500 often have to take out loans merely to acquire a serviced site. As a result these beneficiaries and the developers generally find it very difficult to access a loan for the actual building. Thus, although this category of people might have a steady income, most people earning between R1 500 and R3 500 have a difficult time accessing subsidised housing. In some projects these types of beneficiaries receive smaller low-cost houses or just a serviced site (Smith, 2000).

3.11.13. LACK OF OPTIONS

The present housing policy has a narrow view of ownership of individual housing units constructed on serviced sites, which were developed by municipalities or by the private sector. Tenure options other than individual

ownership and community based delivery have been neglected. The National Department in consultation with the Provincial Departments should consider alternative options for secure tenure (Smith, 2000).

3.11.14 LACK OF RENTAL HOUSING

Although for many people a greater labour mobility is an important tool as economic survival strategy, no provision is made for accommodation fitting this phenomenon. Rental housing as option suitable for labour mobility is not a central focus of the housing delivery programme. The institutional subsidy, which between 1994 and 1999 constituted 2% of the approved subsidies, is the only subsidy, which allows for rental as a tenure option. These institutional subsidies are meant for beneficiaries with a monthly income between R1 500 and R3 500 and are dominated by the rent-to-buy schemes rather than long-term rental schemes. It is therefore recommended that Government considers encouraging housing institutions and section 21 housing companies to introduce long-term rental housing schemes (Rental Housing Act, 1999 and Smith, 2000).

3.12. LACK OF COMMUNITY BASED DELIVERY

Housing delivery through the People's Housing Process is the most important pillar for people to be provided with housing based on their needs and expectations. In the entire country, however, only 10 000 housing units were delivered through community based delivery between 1994 and 1999. While there are few house built through the People's Housing Process in the Northern Province, I am of the view that the People's Housing Process is the best process of delivering houses, especially to the unemployed and poor. If people are given an opportunity to build houses for themselves, they will have pride to own them.

Although many more units were planned, the delay in delivery was caused by uneven funding flows, complicated approval processes, payment procedures and attempts by officials to top-down control the process instead of assisting communities to build for themselves (Smith, 2000).

3.13. LACK OF INTEGRATED DEVELOPMENT STRATEGY

Unfortunately housing development seems to be done in isolation from other developments. Most of the housing projects are approved without taking into account the provision of schools, clinics, electricity and other community facilities. The Mhinga housing project is a prime example of lack of an integrated development strategy. This project does not have electricity, and has no social and health facilities, merely housing units. The non-provision of the facilities mentioned above is seen to have been major contributing factors to the non-occupation of the RDP houses in the Mhinga Project (Smith, 2000).

3.14. THE BOURGEOISIE PROBLEM

There is a need for Government to explain to black middle-class, people who mostly stay in town, what the effect is of neighbouring low-cost houses on the value of their properties. Out of fear of devaluation of their properties many black middle-class people seem to have turned against their fellow brothers and sisters, who are poor, and attempt to prevent the building of low-cost houses next to their own residential area. For example, some black people, including some senior black politicians, petitioned against the Ivy Park housing project in Pietersburg, others, in Gauteng, dumped rubbish bins over the gates of the former Gauteng Premier's house to indicate their dissatisfaction with the nearby building of low-cost housing projects.

3.15. RESTRUCTURING OF THE URBAN AREAS

The present South African towns and cities ought to be restructured to make them more compact and integrated. Restructuring of urban areas should include reshaping of the physical environment and address the following aspects:

- Redressing the Apartheid imbalances
- Enabling low-income people to live closer to their work place, where they can access opportunities and facilities

- Promoting a more compact, integrated development with a higher density of houses
- Avoiding urban sprawl
- Avoiding the development of dormitory-like low-cost development on the periphery of urban areas
- Promoting mixed-use developments
- Increasing access to facilities and infrastructures
- Regular adjusting of the subsidy value so that it is in line with the inflation rate
- Co-ordinating and linking of different subsidies from varying sources
- Supporting the creation of community-based savings- and loan institutions to provide credit to the poor
- Making the repayment structure more flexible
- Targeting of the truly poor and providing them with a maximum subsidy since income alone is an inaccurate way of identifying them
- Introducing a “use it or lose it rate” for subsidies allocated to projects for which the implementation takes too long
- Stimulating rental housing by making it affordable
- Doubling the housing budget
- Increasing the subsidy value
- Monitoring the beneficiaries’ expectations about the size and standard of low-cost housing units, and when needed ask assistance of politicians to reduce unrealistic expectations

The restructuring process should not ignore the fundamental principle I have argued before that unemployed people should not be allowed to procure a house in the urban areas and that the poor should further receive assistance for them to afford paying rates and taxes. The provision of housing is a highly complex issue because it does not deal merely with housing problems as such; providing houses actually is about finding solutions to problems of employment and poverty. The Government’s policy, which has the most effect on the housing delivery, is to stabilise the macro-economy and to promote job creation. Measures of restructuring as mentioned above have a positive influence on affordability and thus reduce risks for the beneficiaries.

Urban restructuring programmes seem to be among the best options to Government accessing well-located land for low-cost housing projects. The Department of Housing should examine the extent to which local municipalities are committed to provide low-cost housing to the poor in areas that are well-located in their areas. Well-located land means that it is close to places of employment, to economic opportunities and facilities, and in areas susceptible to integration and so the breaking down of Apartheid barriers. Such programmes will also address the attitudinal problem of local municipalities towards low-cost housing and informal settlements (Housing Act no. 107 of 1997).

3.16. CONCLUSION

The vision of the Provincial Department of Housing that all people in the Northern Province should be properly accommodated by 2020 is not realistic. Given the dynamics of the province especially the slow release of land by the National Department of Land Affairs and by Chiefs, this vision is very ambitious.

Also, the Department will have to strengthen its consultation mechanisms with the beneficiaries of the housing projects, since this seems to be one of the key issues in the present problems. In this the most crucial question is to what extent beneficiaries are able to afford paying for services. In relation to this, the People's Housing Process (PHP) seems to be the most appropriate method to deliver houses in the Northern Province. The Department should therefore allocate more resources to the PHP.

There is also a serious need for the Department to bring Municipalities on board before a contract is signed between the Provincial Department, Board and the developer.

Co-ordination of the various subsidies given by National, Provincial and Local Government would further assist the Department of Housing to build houses accompanied by affordable services.

Lastly, any amendments to the stipulated progress payment system must be assessed on their merit because developers must be tied to their projects until all the houses they built have beneficiaries, and the process is completed.

CHAPTER 4

THE MHINGA PROJECT

"The Department has realised that the creation of mini-townships in villages was not cost-effective and that some of the houses were left empty. This led to most of them being vandalised," said MEC Maswanganyi (SOWETAN, 1 August 2000).

4.1. INTRODUCTION

Since 1994 the housing scenario has been under a tremendous demand for change while the Housing Act itself has not been amended yet. Since then a number of housing programmes has been introduced, for example, the People's Housing Process, Rural Housing, and Social Housing. The Implementation Manual, and lately the Housing Code were introduced to try and streamline and simplify the implementation stages in housing policies.

One of the challenges confronting housing development, particularly in the rural areas, is the fact that the communities expect to be given services like free electricity, free water and sanitation. It does not make sense for communities to expect services for free because service providers like municipalities and parastatals will not be able to afford. These expectations are acceptable in areas where the service infrastructure is non-existent and where the majority of residents cannot even afford to pay the service charges because they are poor and unemployed.

Generally the high rate of unemployment functions as an aggravating factor and sharpens the challenges relating to delivery in the rural areas. Possibly the key solution to broadening the provision of low-cost houses and accompanying services in the rural areas could be that services to be installed are of an affordable standard and against minimum recurrent cost.

In this regard Fitzgerald states that

The considerations for low-cost housing planning in the rural areas should also include that landscape design should be sensitive to the social organisation, traditions and values, and that local economic development should be thus viable that it ensures the long-term sustainability of housing, thus meeting the needs and aspirations of the poor” (Fitzgerald, 1997: 9).

Not meeting the community's expectations coupled with procedural mistakes lay at the source of the failure of the Mhingaville Housing Project.

4.2. MHINGAVILLE: A PILOT PROJECT

“Mhingaville the ghost town” (Monitor, 19 March 1999, p.10).

The Mhinga housing project was one of the first pilot housing projects in the country. It was initiated soon after the 1994 general elections. Being one of the first projects, it was to be expected that this project experienced political and administrative problems. One of the reasons was that the implementation structure had not been put down clearly yet. . At the time the ambition of the National Department of Housing was to build one million houses within a year, and this resulted in prioritising quantity over sustainable development.

One of the administrative and political problems encountered at the time was that the number of prospective beneficiaries interested in taking occupation of and owning the housing units was grossly over-estimated. Based on the (over) estimates the Housing Development Board approved 2 259 housing units costing a total of R39 million of the taxpayer's money. It seems that this over-estimation has contributed in a major way to the fact that up to date half of the total number of housing units is still not occupied, despite the fact that the project was completed in 1997.

And even now the Provincial Department of Housing has not been able to present a different picture of the occupation of the houses in the Mhinga project (Monitor, August 2000).

The MEC has stated that somehow beneficiaries have disappeared from the scene. One of the reasons as mentioned by the former MEC for Housing, Mr. Edgar Mushwana, was that because of the Mhinga project being one of the first developments of its kind in the country, people from far and wide applied for accommodation at the project. This could be the reason for the initial inflation of potential beneficiaries. Megacom, the developer, seems to be supporting the MEC's statement on the disappearance of initial beneficiaries, and says that the disappearance of the original beneficiaries remains a mystery. The company also mentions that efforts to trace some of them to establish the reasons for their reluctance to occupy their houses at Mhingaville have been unsuccessful (Monitor, 19 March 1999). The spokesperson of Megacom, Mr. Albert Nelson, also confirmed that nothing has changed at Mhingaville despite his company's efforts to trace the original beneficiaries (Monitor, 19 March 1998; Monitor, 19 March 1999).

4.3. 'MHINGA JUST THE TIP OF DUNG HEAP'

(Monitor, October 1998:10).

The issue of approving the allocation of more projects to Megacom sparked controversy between some developers and the Department of Housing. The developers claimed that Megacom was awarded contracts up to the value of ten million rand while other contractors seem to be ignored. Generally the established developers (companies) were dissatisfied about the allocation of projects and claimed that housing projects amounting to R225 million had been allocated to emerging developers. The established companies perceived this as being unfair. The Government, however, has the vision that through these allocations it strives to empower emerging black developers, particularly women and youth. The question that needs to be asked and answered is as to whether Megacom is an emerging developer company, which would, thus, qualify to be empowered? If Megacom is a well-developed company, as has been suggested, then other established developers had a genuine complaint.

The provincial Department of Housing has the objective of promoting economic empowerment of previously disadvantaged groups through the

promotion and encouragement of joint ventures and partnerships between established and emerging developers. The question is whether Megacom was a joint venture, which included a previously disadvantaged company? The local community and also some officials are of the opinion that Megacom was not a joint venture, and thus argue that Megacom did not qualify as a company entitled to preferential treatment aiming at empowerment (Monitor, 9 October 1998:10).

It also seems that at the time of this conflict there was little or no consultation between the provincial Department, the TLC, the beneficiaries and the developer. The dissatisfied developers claim that it is public knowledge that the Levubu/Shingwedzi TLC and the local community in particular were utterly dissatisfied with the way the project has been managed and thus rejected the Mhingaville housing project. It seems that also the expected beneficiaries have not been involved, or even consulted, during the initial stages of the project. It appears that the houses have been built without beneficiaries been given the opportunity of choosing the type of house they desired. Based on all these reasons Mhingaville was rejected by the community, and did not meet the expectations of the prospective homeowners. Also the TLC seems to have distanced itself from the Mhingaville project. This is indicated by the fact that the MEC for Housing himself had to intervene to defuse increasing bad feelings between Chief Mhinga and the TLC (Monitor, 9 October 1998:10).

The TLC's non-involvement caused difficulties with the provision of accompanying services by Government authorities because only the Chief had been involved in the project, and not the TLC. Thus it happened that electricity was provided to the surrounding villages, while the TLC did not prioritise Mhingaville for this service. In this regard it must be stated that Eskom did indicate their intention to supply electricity to Mhingaville, but would only do so after the relations between the Chief and the TLC is normalised.

Residents and community leaders, the Chairperson of the Mhinga Civic Association, Mr. B. Jambatini being one of them, complained that the housing

units were too small to live in and that essential services like water and sewerage were lacking. As a result the housing units in the project dilapidated because the houses lacked maintenance, a situation worsened by break-ins and theft. Some of the housing units are alleged to be used for non-designated purposes like brothels and spaza shops instead of them being used for residential purposes (Monitor, 30 October 1998:10).

Some beneficiaries who refuse to have their names mentioned complained that there was no consultation with them from the initial stage of the housing project onwards. This is their reason they are distancing themselves from the project. In fact, they regard it as the chief's project. They consider the homes to be the chief's houses and those of his family, and are not sure whether they will be given permission to occupy them. This raises concerns about the type of tenure that the Chief will give to beneficiaries and whether the Chief will grant them ownership of the land.

Rural homeless people need to be united by forming organisations to protect themselves and to address their homelessness. The Organisation of the Homeless People of South Africa, who are at present concentrating on the urban areas may have to consider expanding its activities to the rural areas. Organisations like these can assist Government in fulfilling its aim of housing the poor and homeless. When rural people organise themselves they are in a better position to defend and negotiate their rights. It is expected that this will then lead to authorities involving prospective beneficiaries of housing projects, such as Mhingaville, in the both the planning and implementation process from the very first moment.

In this regard it must be remarked that it seems that during the stage of policy formulation for housing projects in the province Government depended much on consultants and developers, in other words, generally on the private sector. As a result the housing policy became biased towards urban rather than to rural development.

As a result developers delivered the majority of the housing projects in the province and only a few of them were delivered by people themselves. Little

or no direct contribution to the projects seems to have been made by beneficiaries and non-profit organisations. The policy as it stands is rather technical and thus is not user-friendly for ordinary people, and to some extent difficult to be implemented by officials.

In cases like the Mhingaville housing project housing delivery becomes profit-oriented rather focused on the social and welfare responsibility to house the poor. It seems that the private sector is involved not with the aim of assisting Government to deliver houses to the poor but to make a maximum profit. The “big companies equals big money” syndrome, which is prevailing with the public at large, seems to become a self-fulfilling prophecy as big companies are given more and bigger projects.

While the provincial Government is generally seen to have developed the capacity to manage housing project, also the Local Government structures have this capacity possibly with the exception of the older municipalities.

4.4. 'MHINGAVILLE: A DISASTER PROJECT'

(A consultant who refused to be named for fear of being charged).

While the majority of the houses in Mhingaville are not occupied, some of those that are occupied have been allocated to unemployed teenage girls and young unmarried mothers, some of who are still dependent on their families. A fair number of the original beneficiaries have either vacated the low-cost houses or are renting them out to desperate or homeless families who could not benefit from the housing scheme because of certain circumstances. The renting out of these houses has become a solution to beneficiaries who do not want to occupy their houses and at the same time do not want their houses to be vandalized. Houses, which stand empty, have their windows broken and doors stolen (Northern Times, 16 February 1999).

4.4. 'PEOPLE PREFER MUD HUTS TO CRIME-RIDDEN NEW HOUSES'

(Sunday Times, 20 August 2000)

One of the reasons for non-occupation of the RDP houses in Mhingaville, as explained by the Sunday Times, is the high crime rate that beneficiaries experience in the project. This makes that beneficiaries rather continue to live in their mud houses, even though some of them threaten to fall down and kill people, than to occupy the RDP houses and become a victim of crime. People at Mhingaville say that thieves hide their stolen goods in some of the new houses and immigrants have taken occupation of some houses. The police are also accused of not patrolling the area, and the TLC is accused of doing nothing about burst water pipes, the lack of adequate water supply, and rubbish collection. Most of the people who disclosed this information did not want their names mentioned for fear of being victimized by the department. . The majority of the intended beneficiaries have chosen to stay in old Mhingaville rather than to benefit from the new low-cost housing project.

4.6. THE LAND QUESTION

The Mhinga housing project was developed on land registered in the name of Chief Mhinga, who became the sole custodian of the land on behalf of the beneficiaries of the housing project. This seems to be one of the inhibiting factors for most beneficiaries to occupy the units. With Chief Mhinga being the sole custodian of the land the beneficiaries from this project will, unlike in other housing projects, not directly own the land that their housing units have been built on. It has not even been clarified whether the landlord, that is Chief Mhinga, intended to give the beneficiaries sectional title deeds. The fact is that Chief Mhinga is the sole owner of the entire land that is used for the project.

The land question was further exacerbated by the allegations that beneficiaries are expected to first pay a certain amount before they are allowed to move into their housing units, which smacks of corruption, or at least of abuse of power (Monitor, 14 May 1999:2).

4.7. CONCLUSION

The Mhingaville problem should be an eye opener to the Department to tighten all mechanisms and not pay developers for houses built without real beneficiaries. The Department has the responsibility to ensure that communities are fully consulted and have made a choice about the type of houses they need to meet their expectations before the actual building process is commenced.

CHAPTER 5

A SELF-HELP ALTERNATIVE

“A people-driven process: Our people, with their aspirations and collected determination, are our most important resource. The Reconstruction and Development Programme is focused on our people’s most important needs, and it relies, in turn, on their energies to drive the process of their needs. Development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment (ANC, RDP, 1994:5).

5.1. INTRODUCTION

The implementation of the housing policy should be perceived as an experimental activity starting with policy formulation and ending with the final stages of implementation. The need for a housing policy was formally triggered off by the enormous increase of slums, squatter camps, and poor housing structures like huts. We might say that some of the problems stem from people’s inability to pay for or build conventional housing in combination with a migration influx into the urban areas and the inability of the urban areas to accommodate the newcomers.

As a result the new Government perceived itself as a solution “provider” and set out to implement the African National Congress’s electioneering slogan of ‘building houses for the poor’. Unfortunately experience has shown the inability of the Government to provide a well-funded housing programme for poor people. It suggests that Government as a single provider would not and could not mobilise sufficient resources to successfully implement the policy of building houses for the poor.

If this experience is taken seriously it then follows that the National Department of Housing may need to review the policy of providing free

houses for the poor and unemployed. Another factor is that the Government's allocations for financing housing projects may decline. If this happens there will be a need to begin reshaping people's perception that Government is not necessarily the sole provider of houses.

A new policy could be informed by the observation that many families have experience in building housing, indeed. In fact a large part of the low-income housing stock is built without outside involvement of constructors or developers. I strongly feel that a new policy formula should be used to emphasise the fact that Government should incorporate self-help solutions into public housing programmes, and in addition should merely supply the missing elements to come to a well-balanced housing programmes. This new formula may have to combine family housing investments and Government subsidies (ANC, RDP, 1994: 5).

Government might, then, reduce or maintain its investment-per-family structure, and thereafter divide 'the cake' over other benefiting families. Implementing a programme like this would help overcome the main image of Government as the sole provider of everything. People must begin to realise that that Government's resources are too limited to meet the needs and expectations of all citizens. This change in people's expectations will be difficult to produce, for it seems to refute the claims politicians make during election campaigns. If Government wants to succeed in housing the poor, its policy may have to dictate that people organise themselves and set up their own centres, or small factories to produce bricks, steel and other materials needed to build houses. In my opinion the building and construction of houses, and improvements and extensions of houses should be left as much as possible in the hands of the people who are benefiting from the building of the houses.

Undoubtedly the South African Government (even with the support of the private sector, which is presently lacking) does not have financial resources to house all poor families. Government's target of building five million houses in five years will have to be reviewed. If Government wants to adopt self-help alternatives and wants this self-help scheme to be successful, it might be

advisable for Government to adopt an “evolutionary”, “progressive” or “gradual construction” approach. This approach may pose the problem that houses might be under construction over a long period of time, and that beneficiaries might actually occupy these houses before they are completed. The self-help alternative seems to give beneficiaries the power to determine what product they want. This alternative also seems to minimize the chances of the developer, the chief, or any dominant bourgeois group to determine the fate of the beneficiaries without their knowledge and input. Another advantage of self-help housing is that individual beneficiaries can construct houses to fit their cultural and individual circumstances. Skinner and Rodell (1983:4) sum this up by saying that self-help policies ask people to work long hours, either in construction or to earn money to pay for construction, and in doing so take the burden of housing on their own shoulders.

If Government were to be positively inclined towards self-help housing, this would reduce the present exploitation of the housing policy by a number of developers. Instead of the poor who should be the main beneficiaries of the subsidies, these developers, as an interested group, benefit handsomely. The self-help model also seems to require the fusion of the present developer-dominated subsidy system with the People's Housing Process procedures. A point of warning, however, is that self-help schemes should not be viewed as a means to flush out the developers from the industry but rather as a means to balance developers' profits with a better, affordable dwelling and, thus, life for the actual beneficiaries.

Self-help housing should be based on the fundamental policy decision that beneficiaries must make financial or labour contributions towards the construction of their houses. Since this kind of involvement promotes ownership, this approach will also solve the problem of beneficiaries neglecting their houses, as is the case at present with subsidised housing units. Skinner and Rodell (1983:5) further this argument by saying that most rural families in third world countries organise the entire production and construction process of houses without any assistance of paid labour. They plot the land themselves, collect material, fabricate building components, prepare sites and assemble components into a house.

This ideal model should serve Government as a rough indication of what happens in many poor countries and inform them what could be achieved at this moment in South Africa.

The employment of unpaid family labour would constitute a potentially free additional resource, which Government could incorporate into its plans. Naturally this would reduce the unit cost of construction and increase the size of the actual housing unit. Government would then be able to shift the bias of its approach from being philanthropic and giving houses for free to a missionary one, which says that Government helps all those who help themselves.

The unpaid family labour approach to housing might advance Government's vision of housing the poor by distributing the subsidy presently used by one beneficiary to more than one beneficiary. There may also be beneficiaries who are prepared to contribute both finance and labour to build housing units of their own choice and based on their needs. Self-help with its element of direct investment by families can take the form of either labour by families and friends, or purchased material and hired labour, or combination of both. Examples are families in which one of the spouses is working while the other spouse is prepared to contribute labour, or where both spouses are working but are prepared to hire a person to work on their behalf.

Government might provide financial resources through subsidies, and technical expertise through developers. At the same time beneficiaries provide labour to replace wage labour. As said before, the whole approach would then shift from the perceived philosophy of giving hand-outs to one in which people house themselves; from where decisions are made for beneficiaries to one where the beneficiaries decide about the type and size of the housing unit based on the individual circumstances, source of income, investment and family characteristics. It will no longer be housing by Government but housing by the people. In future it will then be impossible end up in a situation where houses are built without designated beneficiaries, as is frequently the case at present. Ordinary people will then be in charge of their

own lives and future. They will not gain benefits from Government through and at the mercy of the upper or middle class in the form of developers (Skinner and Rodell, 1983: 6).

The self-help alternative emphasises maximum participation by beneficiaries. There are major reasons why a community might wish to participate in self-help projects:

- Saving of the agency's or developer's scarce manpower and financial resources
- Promotion of social development by increasing local self-reliance
- Creating political self reliance by demonstrating that people and Government can work hand-in-hand
- Maximising the efficiency of project implementation
- Ensuring that by establishing a strong community organisation, the project area continues to develop even after the withdrawal of government officials, developers and agents

Self-help programmes seem appropriate ways for beneficiaries to get larger housing structures. They also and increase the investment in housing because it adds unpaid family labour to government subsidy resources and adds materials purchased by benefiting families to other resources used in implementing the project.

Although section 2(d) of the Housing Act No. 107 of 1997 dictates that housing development should lead to the transfer of skills and empowerment of the community, thus far the implementation seems to be a developer-dominated development. I suggest that instead, policy implementation should focus on the central role of human resources as an agent of development.

5.2. PARTICIPATION IN POLICY IMPLEMENTATION

On the one hand Government seems to have been the source of contribution, while on the other hand it intended that housing development should also lead to the transfer of skills. At the same time Government has increased the projected numbers of housing units to be built. It is circumstances like these

that force political principals and policy implementers to approach developers in order to reach the desired target number of houses within the specified period.

Government and policy implementers alike may want to learn from the UN conference on Human Settlement held in 1976. Here the following resolutions were adopted (Skinner and Rodell, 1983: 13):

- Planning and planners should be brought into close contact with the people especially with respect to the expressed aspirations of the poor and the potential for self-determination
- Communities should be involved in the planning, implementation and management of the housing schemes
- Standards for shelter, infrastructure and services should be based on the factual needs and priorities of the population
- Legislative, institutional and financial measures should be reoriented to facilitate people's involvement in meeting their own needs for social services
- Public participation is a right to everyone and special efforts should be made to expand and strengthen the role of community organisations, workers organisations, tenants and neighbouring organisations

Initially the people's power to determine their own destination should inform Government about what people can do better themselves. At a later stage Government could then come to complement people's actions, intentions and resources. Skinner and Rodell (1983:13) underlined this by stating that the call for measures to facilitate people's involvement in meeting their own needs for social services is juxtaposed with the policy of providing social services on an integrated basis.

While understanding that participation exists amongst policy implementers, procedural mechanisms for integrating the role of the people with that of the developer are lacking. This is also true with respect to solving disputes about the projects between the developer and beneficiaries, or between the beneficiary and the local authority, or between chiefs and councillors. People's participation must also imply that residents have the responsibility of

tackling the most important issues in their development, and possibly more. In fact, hopefully community members will be involved in all decisions affecting them and their own development. People's participation creates challenges because decisions taken should be implemented. Thus there should be a channel through which decisions taken in the field should be put into action (Housing Code, 1999: 258). Some issues, for example, are that the implementation team may have several sub-teams or committees involved in the various stages of project implementation. This is informed by the fact that officials involved in the project may not have suitable means of communicating with the top-management of the bureaucratic hierarchy so that decisions taken can be acted upon swiftly. The gap between officials and top-management may have a negative impact on the means to implement decisions and, consequently, damage the credibility of Government and lead to the breakdown of trust, communication and co-operation between the beneficiaries, developers, the local authority and Government.

Non-implementation of decisions basically turns (potentially) self-reliant communities and their leaders into powerless puppets, which can be replaced by other people. These tendencies leave beneficiaries feeling tricked into something they have not understood. Non-implementation will also lead to beneficiaries perceiving that Government is following a take-it or leave-it, top-down approach to development. This makes them feel vulnerable, and as a result the relationship between Government and beneficiaries, or between developer and beneficiaries might become bitter.

5.3. A SHIFT FROM A PROVIDING TO AN ENABLING STRATEGY

The present general approach of the Government for providing basic needs like housing does not seem adequate. Resolving the needs for shelter of low-income groups is clearly not an easy task. These problems are rooted in long-entrenched apartheid policies, traditions, prejudices, and practices, which will require a sustainable effort and not mere handouts if they are to be overcome (Housing Code, 1999: 260).

Government may have to shift from a providing approach to an enabling strategy. For an enabling strategy to improve housing conditions, a minimum of infrastructure may have to be provided and at a standard that the poor have chosen and can afford. Therefore standards of provision must be carefully tailored to the demands of low-income people. Poor people will prefer to pay for services they regard as essential. Skinner and Rodell (1983: 110) state that

But low-income people will neither pay for nor physically contribute towards the development of infrastructure from which they receive no direct benefit or which is not their prioritised benefit.

Residents' participation is extremely important in deciding on the provision of infrastructure services: appropriate standards, implementation problems, new infrastructure installation disturbing the existing houses' layout, and determining realistic levels of charge in relation to cost are some of the issues. The present planning of infrastructure is usually a heavy-handed, top-down affair based on inadequate inquiries about needs and based on vested interests of developers. Their professional training and middle class values largely guide officials, in the top-down system. This makes them feel uncomfortable when planning an infrastructure at a level lower than conventional standards, and with the people instead of for the people.

If Government desires to play an enabling role in developing the infrastructure, then the construction of houses is an activity in which beneficiaries, individually, collectively, or through contractors and developers take part. And this could well be a more efficient process than through any governmental agency because of the following:

- Families themselves obviously have the best perception of their own shelter needs and are aware of their willingness and ability to pay for services
- Informal building techniques and practices exist which satisfy the effective demand for shelter reasonably well

Where Government adopts an enabling strategy, its intervention must be limited. The enabling strategy will absorb the bulk of scarce government resources merely to develop the desired infrastructure for low-income housing. Intervention in house building should be directed at further increasing the efficiency of the existing delivery system. Government efforts should support the efforts of the poor to help themselves.

5.4. POLICY FORMULATION

An enabling housing policy inherently banks on the ability of the urban and rural poor to help themselves and not on poor people to wait for handouts from Government. This approach often conflicts with the predominant perceptions of policy-makers in a bureaucracy, who by virtue of their professional background and administrative experience, generally underestimate the capacity of poor people to help themselves. At best, bureaucrats claim to know more than the poor do and feel that the poor have to be guided by them. They give themselves powers to think and act for the poor. Often policy-makers who never lived in a squatter camp or a slum draft imaginative policies, informed by their own values and norms. Such policies lead to Government missing its targeted group (Skinner and Rodell, 1983: 111).

At this level another problem arises when politicians become impatient with the long, complicated nature of an enabling housing strategy. Sometimes, in their drive for quick and popular results, they then take measures, which may have harmful side effects on the implementation of self-help strategies in the long run.

5.5. COMMUNITY PARTICIPATION

Major difficulties might arise from the incorporation of community-level participation into the planning and implementation processes of low-income housing projects. Government agents, developers and bureaucrats often rationalize their failure to raise community participation and act as if residents are apathetic or lazy, or do not know what is best for them, or do not have the

time to participate. While there is some truth in this, the bulk of the problem lie with Government agencies, developers and bureaucrats who do not really provide a basis upon which effective participation can be created. The following are some benefits arising out of community participation (Skinner and Rodell, 1983: 126):

- Lowering of project costs
- Ensuring that the houses built correspond to the beneficiaries priorities
- Improving the link between communities and Government

While the scope of community participation might be limited, it is very important to promote it for a number of diverse reasons such as collective labour, financial contribution, payments of services, collections, materials production, and distribution and determination of the standard of services. During the process of this research it became evident that the poor are very concerned about their living conditions. Anyone who accuses them of laziness ignores the long hours of hard labour they put into often poorly paid or non-paid employment, looking for jobs, or steadily building up their temporary shacks into a habitable accommodation.

If, as posed in this study, the view is correct that community participation is crucial, the question is why, if the poor are not apathetic or lazy, they often refuse to co-operate with Government officials or developers. During the process of the research civic leaders indicated that one of their reasons for non-cooperation was that they did not want the Mhinga project on the terms presented by the Chief and the developers. If, as often happens, resolutions for the housing development are reached without consultation of the intended beneficiaries, there is a good chance that the proposed housing project development and the standard of services do not correspond to the potential beneficiaries' wishes.

Skinner and Rodell (1983: 137) sum up these arguments by saying that Government officials or developers are too ignorant to understand the complexities of a housing development project. As with many middle-class people's perceptions of the poor, their view often demonstrates professional ignorance of the clients who are supposed to be served. But planners who

are sufficiently interested in their clients and attempt to explain issues to the poor have found that potential residents have a remarkable learning capacity. 'If treated as intelligent individuals, they are more likely to participate in the project than if dealt with as inferior beings' state Skinner and Rodell (1983: 138).

The labelling of the poor as ignorant and lazy seems to be used by Government officials or developers as a reason for "bulldozing" a project through and treating the resultant hostility as a justification and verification of their initial assumptions that poor people, indeed, are lazy and ignorant.

Moreover, a "top-down-bulldozer" approach gets the project completed quickly, like the Mhinga project. But it is precisely this approach of implementation without consultation that results in dependency of the poor on the Government and in the actual neglect of the beneficiaries, and so in non-functionality of the housing project. Furthermore, not only may beneficiaries refuse to participate in terms of cooperation and maintenance of the housing units, but they might also refuse to pay for service charges and service up-keep expecting all costs to be borne by the State.

It should also be noted that Government officials or developers are not the only people to be blamed for failure of these so-called participatory projects. There are also constraints on participation that appear to emanate from the target group itself.

Any low-income group has internal differences in income. This is a potential problem for community participation because there will obviously be differences in interest and scaling of priorities within the group. For example, some poor people may prioritise employment or provision for food, others housing or health facilities.

The second point is that low-income residents are very rational and suspicious actors. For example the Mhingaville villagers refuse to occupy the low-cost housing units because they have little information as to whether the Chief is the landlord or whether they will have the (secure) tenure. Resistance

to participate and occupy these houses can reasonably be overcome in this case if the State demonstrates its commitment to residents, rather than to the Chief, and by compulsorily transferring ownership rights from the Chief to the beneficiaries (Housing Code, 1999: 161).

Another source of opposition to participate can be found in the residents' fear that developers or Government officials seek to take over the existing organisational arrangements. Developers, public servants, civilians and politicians who may for whatever reason campaign to mobilise the population as a whole to be behind the project might be seen to have a political agenda. Consequently they might not receive the expected and necessary support. This is the same with developers or Government officials who themselves, or whose project, might be interpreted as threatening the position of established and locally accepted traditional or civic leaders. This it is advisable that an attempt is made to determine the hierarchy of authority that exists in the community. Next initial contacts can be made through those at the top of the pyramid. Although this does not guarantee that all leaders will be willing to cooperate, it offers a reasonable opportunity of only having to persuade a few leaders.

Another problem centres on leadership. Communities with many poor people usually nominate and delegate their authority to the comparatively rich, and to those who seem to have contact with official institutions. These people might be teachers, social workers, and government officials. Often their leadership qualities are not evaluated beforehand. Frequently it happens that these representatives represent their own interests rather than those of the community. At times they do not even know the values and standards of those they claim to represent (Housing Code, 1999: 264).

5.6. SUPPORTING THE PEOPLE'S HOUSING PROCESS

It appears that technicians, professionals and bureaucrats from the Provincial Department dominate the formal housing sector. The approach used by bureaucrats seems to be a top-down one as they struggle to control the process, instead of beneficiaries determining their destiny. The doing-for

approach seems to be seen as more important than the doing-with approach. Bureaucrats generally think that they are building for the poor. Often they do not consider involving and consulting the poor beneficiaries in order to co-determine the end product. Thus, instead of the developer and the bureaucrats building together in conjunction with the prospective beneficiaries, they plan and build without taking into account the expectations and aspirations of the poor, and deliver an end product, which does not meet the needs of the beneficiaries.

The premise from which these professionals start seems to be that they forget that people can actually build houses by themselves. They overlook the fact that they are presently staying in some form of housing, made with materials available in their immediate environment. When the poor built their present houses there were no architects, engineers or even contractors to guide them. Yet the knowledge of the methods of construction was available to them.

In most developing countries the State intervenes in the housing sector mainly because of the limitations of the private sector to fulfil the housing demands of low-income groups. Generally, State intervention is aimed at ensuring that all citizens are adequately housed, and at extending the health benefits of good shelter. It also hopes that through the provision of adequate shelter the productivity of people increases and encourages employment that can be generated by the investment into the housing sector (Housing Act, 1997).

One of the strategies aimed at mobilizing and harnessing combined resources is through supporting the Peoples Housing Process. This strategy is targeted at specifically supporting the poorest of the poor families who only have access to (limited) housing subsidy, and yet wish to build reasonably big houses. They are the kind of beneficiaries who wish to stretch their subsidies by using their own labour or by organizing the entire construction of their own houses. Generally, these families have no access to credit from banks, or cannot accumulate enough significant savings to increase their subsidy and, subsequently, the size of their houses. The "supporting the Peoples Housing

Process" strategy has its roots in one of the key principles of the RDP, namely that of it being a people-driven process.

In supporting the Peoples' Housing Process, Government takes into cognizance the efforts and initiatives of poor communities which have shown commitment to developing themselves by committing their resources, skills and knowledge, energies and time to building their own houses.

This support programme intends to assist poor people who wish to build or organise the building of their own houses by providing access to the following:

1. Housing subsidies
2. Technical, financial, logistical and administrative support regarding the building of houses on a basis which is sustainable and affordable

5.7. AIMS OF THE PROGRAMME

The aims of the People's Housing Process are (Housing Code, 1999: 265):

- I. To mobilise and support community efforts in building its own houses
- II. To facilitate appropriate ways to gain access to subsidies in order to support housing initiatives
- III. To promote the most cost effective use of resources, and provide choice of resources and a trade-offs between options
- IV. To foster partnership between all levels of Government, civil society, and the private sector
- V. To regularise settlements and create secure tenure options
- VI. To build capacity and skills wherever they are required
- VII. To promote a culture of saving government resources
- VIII. To create mechanisms to link credit with savings
- IX. To facilitate the maximum transfer of skills, economic upliftment and employment creation
- X. To apply state funding to achieve maximum leverage of non-governmental resources.

Government has created this conducive environment with the objective of achieving the following principles:

- (i) To create opportunities for poor families to enhance the value of their subsidies by contributing their own resources with the aim of getting a better product, taking key decisions in the design of their housing plans, the size of the house, the method of construction and the choice of building materials
- (ii) To create programme guidelines and procedures that are as flexible as possible, to accommodate and encourage the widest range of innovative approaches and contributions
- (iii) To ensure that the Government's contribution is both financially and institutionally sustainable
- (iv) To promote the achievement of synergy between this programme and other already existing national programmes thus adding value to the People's Housing Process
- (v) To recognise and contribute to broader socio-economic and developmental context within which housing needs are being met wherever possible

Within the housing regulations these people are allowed to access not only subsidies but also technical, financial, logistical and administrative support needed for the building of their houses, on the basis that the development is sustainable and affordable. Experience has shown that if beneficiaries are given the chance either to build houses themselves or to organise the building of their houses, they acquire better houses for less money. The People's Housing Process route towards accessing subsidy provides for a creative alternative because beneficiaries can save on labour costs (by doing some of the building work themselves or getting their neighbours, friends and families to help them), by avoiding the cost of engaging developers (if they build themselves), and by optimising their plans through the use of opportunities for trade-off of resources.

5.8. BENEFITS FOR SELF-HELP DELIVERY

Self-help delivery has the following advantages:

- is flexible enough to respond to a diverse range of needs, preferences and priorities permits individual families and households to build their own dwellings according to their own needs and preferences

- permits individual families/households to finance their own dwellings at a cost they can afford
- encourages individual independence of actions and decisions
- can absorb relatively unskilled labour
- is capable of the increase and transfer of skills in the labour force
- creates opportunities for participation of contractors and sub-contractors
- generates job opportunities
- creates demands for local materials

(NBRI Researchers, 1987: E4)

5.9. CONCLUSION

The present Government is facing the challenge of shifting people's mindset from receiving freebies to enabling the Government to help them. Also within Government Departments the mindset must be changed into considering helping people to help themselves. Housing delivery should not continue as the domain of developers building for beneficiaries. Instead the focus should change to people building for themselves. Bureaucrats need to their mindset and abandon the idea that poor people are ignorant, lazy, and mostly too apathetic to make decisions for themselves. Government officials must help people to understand their roles in the process. At present the attitude of government officials generally advances a top-down approach, which definitely does not enhance people's participation in the housing process.

CHAPTER 6

EVALUATION, RECOMMENDATIONS AND CONCLUSION

"A place called home" (Sowman and Urquhart, 1998:1).

6.1. EVALUATION

Low cost housing development projects are primarily linked to projects, which are dominated by the developers. The locations of the present projects in relation to job opportunities and community facilities, the design and structure of the houses, and the capacity of beneficiaries to pay for service charges, yet remains to be demonstrated. The present housing developments have proven that houses have been placed far away from the economic focus of development. Factors of integrated development planning clearly have been ignored: most projects have no schools, no clinics, and no electricity.

One of the important principles of low-cost housing development is that it should facilitate a people-centred process in which people are assisted to improve on potential the planned house through their own labour or financial contributions. The present system, through its developer-led character, however, seems to impose a first world housing delivery system onto a third world housing problem. The current housing development process is certainly not a bottom-up development where communities determine the type of houses they want.

Although most approved housing subsidies are targeted for the poorest people, the available evidence indicates that the products and services delivered are unaffordable for the majority of intended beneficiaries. As a consequence many municipalities have to sell subsidised houses built for the poor to people who can afford to pay for rates and taxes, namely, ironically, the middle classes.

The present formats of community consultation and participation have proved inadequate, because until now this merely involved consulting the so-called "community leaders". This process is also a process characterised by internal competition and conflict between various groups claiming to be the true representatives of communities, rather than a process characterised by meaningful engagement with the community as a whole (Sowman and Urquhart, 1998:1).

In the rural areas, where the majority of the South African poor are living, such as is the case with the Mhinga Project, project-linked developments, are designed by, and at the standards of, the middle class bureaucracy. Since they are for the use by the poor, whose value systems might be different, they appear incompatible with the needs of the poor. The present development seems to be urban-biased. This is evidenced by the fact that most projects are designed with a high-density of population in mind and located next to an existing urban settlement.

One of the worst effects of urban-biased project plans is that rural areas get an urbanised character. Instead of approving such high-density projects, rather small-scale projects should be approved since these pursue the needs and demands of people living in the rural areas. Another factor is that it is doubtful whether the provision of serviced formal houses represents the most effective and efficient use of the Government's financial resources in relation to promoting rural development. A high-density development might be appropriate and consistent within the context of sustainable development if aimed at attracting labour migrants in relation to urban economic demands, but this is not the case in a rural context.

In general the South African housing developments seem to be inappropriate because most migrants and beneficiaries continue to be unemployed, and poor and dependent on Government (Titi, Singh, 1995:6-27; Newton 1998:33-44).

Institutions supporting the current South African housing development, such as the Department of Housing of the Northern Province, are over-optimistic

about their dependency on private developers who, incidentally, seem to be much more interested making money for themselves than to build houses for the poor. It might be advisable for Government to give clear preferential treatment to people building houses themselves rather than focus on a developer-centred development.

While the South African subsidy scheme's emphasis on capital subsidies is appropriate, the housing policy should also address the following key objectives:

- To improve the effectiveness and efficiency of the housing market by reducing the risks that prevent the private sector from increasing the supply of affordable housing, or the public from renting or buying low-cost housing units which are produced by the private sector [What do you want to say here? I read it 5 times and it still does not make sense to me!!]
- To ensure that even those who cannot afford to rent or buy low-cost housing units (produced by the private sector) are adequately housed
- To consider local climatic conditions such as temperature, rainfall patterns and prevailing winds when planning housing development projects
- To take reasonable measures to prevent groundwater contamination resulting from poorly designed sanitation systems

The current subsidy scheme also needs adjustments such as a better targeting of beneficiaries, linking subsidies for certain categories of households to savings and credits, and ensuring that increased emphasis is placed on rental housing and delivery through the Peoples Housing Process. For example, unemployed and low-cost housing beneficiaries earning less than R1 500 may have to be encouraged to participate in the People's Housing Process. The working class earning between R1 500 and R3 800 per month may have to obtain loans linked to their subsidies or may have to save a certain percentage of income for a stipulated period of time as a pre-requisite for accessing subsidy (Implementation Manual, 1995).

Another solution could be that the household signs a housing savings contract with an accredited financial institution. If the savings record becomes satisfactory, the household will become eligible for a subsidy. The savings could then be used as a deposit for a loan from the financial institution. Most savings and credit-linked subsidies should be provided through an individualised subsidy scheme. The individual subsidy rather than the project-linked subsidy will provide more choice for the individual beneficiary about where and what type of a house they want to build. The savings and credit-linked subsidy and the People's Housing Process seem to be appropriate instruments in dealing with the beneficiaries' lack of ownership. This lack of ownership frequently results in beneficiaries selling their low-cost houses for a value lower than the houses were built for. For example, houses in Tshikota are being sold for R3 000 or R5 000 while their building cost was R 18 000.00.

GENERAL RECOMMENDATIONS

In addition to recommendations mentioned in chapter 3 on restructuring of the urban areas, the researcher further would like to add the following recommendations:

The Government must be focused on

- Promoting equitable access to low cost housing opportunities for the poor with special reference to women and the disabled
- Relieving urbanisation pressures by releasing accessible land and encouraging informal settlement upgrading programmes
- Expanding the range of available secure tenure options, including rentals
- Monitoring economic and social housing trends and analyse their impact on housing provisions, including the HIV/AIDS pandemic related population migration trends
- Normalising the lending environment
- Basing housing provisions on integrated development planning

6.2. CONCLUSION

We will continue to provide our housing subsidy, but with our added caveat that people must begin to think- about investing in their own housing through their own individual savings". Minister Sankie Mthembu Mahanyele. (Sunday Times, 31 October 1999)

Fortunately not only dissatisfaction and criticism mark the low-cost housing development in the Northern Province. The Dendron TLC boasts of their impressive RDP housing project which provided housing to about five hundred families. The Chief Executive Officer of the Dendron TLC, Mr. Mlako, was quoted by the Northern Times on 17 December 1999 saying that the low-cost housing development accelerated economic growth and prosperity in their town.

But based on the experience from many other projects we may conclude that houses for free do not seem to provide the best solution for homelessness and poverty. It was found that some of the beneficiaries even became homeless and remained poor when they sold their houses at a price that was too low. Through the sale they forfeited their chances on subsidised housing. One thing Government must further look at is conditions that will prohibit low-cost housing beneficiaries to sell their RDP houses as soon as they take occupation. I which to suggest that conditions should prohibit any selling. Beneficiaries who want to sell should be forced by conditions to return their houses back to the state.

A major shift is that Government seems to gear itself to make future homeowners or beneficiaries contribute from their own pockets if they want to qualify for a low-cost housing subsidy. While this thinking has not yet become a generally accepted part of the official housing policy, this research would like to encourage Government to move even more in this direction. Official requirements that beneficiaries contribute finances or in labour to the building of their houses will encourage them to join saving clubs like stokvels and burial societies. Saving in this way will also test the beneficiaries' will, self-

discipline and responsibility for owning a house. This would in my view enable Government's to provide more low-cost houses to more people.

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