

Core housing and subsidies in South Africa: addressing the unintended outcomes

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Abstract

Over the last decade the South African government housing programme has produced large numbers of small, core houses which have changed the country's landscape. This paper compares the original intentions of the housing policy (as framed in the 1994 White Paper and the Urban Development Framework), with the physical outcomes that have materialised through the production of around 1.6 million houses by 2004. Drawing on research data collected from more established core housing areas built in the 1980s [1], and comparing these to more recent delivery patterns, the paper will discuss the mismatch between intention and outcome. It will seek to answer why originally well intentioned policy and financing instruments led to a series of unintended consequences, where a participative housing format became rather a mass roll out of infrastructure with little engagement of the interests of residents. It develops an interpretation of core housing as a delivery system which is constrained in its ability to open up space for participation and choice for residents. The paper uses theoretical and empirical information generated as part of a PhD thesis and then discusses this in light of recent policy developments in South Africa (the recent adoption of the new "Comprehensive Plan" developed by the national Department of Housing).

1 Introduction

South Africa's government housing programme has, for the last decade, been dominated by the mass delivery of basic houses to households with low incomes throughout the country. Of the 1.6 million houses delivered by March 2004, some 72% were delivered through the project linked subsidy and another 10% through the consolidation subsidy [2]. Both of these instruments supported the production mainly of core housing which residents were expected to extend in order to achieve 'adequate' shelter (as described in the government White Paper [3]).

The housing policy envisaged certain outcomes when it was introduced in 1995 and came out of a clear set of developments in the 1980s. Two projects described in this paper which were undertaken in the 1980s demonstrated what could be achieved by a well designed core housing approach, and yet the bulk of what was delivered through the current South African housing has ironically not been as successful in design terms.

The vision of the South African housing policy outlined in the White Paper was pitched at two levels, the one addressing the delivery of adequate housing (and secure tenure) to the needy, and the other addressing the nature and location of the settlements so created. Hence, "Government strives for the establishment of viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities, within which all South Africa's people will have access on a progressive basis, to: (a) a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; and (b) potable water, adequate sanitary facilities including waste disposal and domestic electricity¹ supply" [4].

The Urban Development Framework released in 1997 went further, being developed in response to the United Nations Habitat Agenda [5]. The urban vision of the Urban Development Framework was that by 2020, South African cities and towns would be:

- Spatially and socio-economically integrated;
- Centres of economic and social opportunity;
- Centres of vibrant urban governance;
- Environmentally sustainable;
- Planned in a highly participatory fashion;
- Marked by adequate housing and infrastructure and effective services;
- Integrated industrial, commercial, residential, information and health, educational and recreational centres;
- Financed by government subsidies and by mobilising additional resources through partnerships [6].

The main programme through which the Department intended to achieve this vision was the household subsidy programme. The subsidy programme was to cover a wide range of housing and tenure options and was directed towards the lower-income brackets who were, at least in principle, unable to provide themselves with adequate housing. The scale of delivery that was intended was captured in the White Paper goal: "Government's goal is to increase 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 338 000 units per annum,

¹ Later changed to 'energy' supply.

within a five year period, to reach the target of the Government of National Unity of 1 000 000 houses in five years" [7].

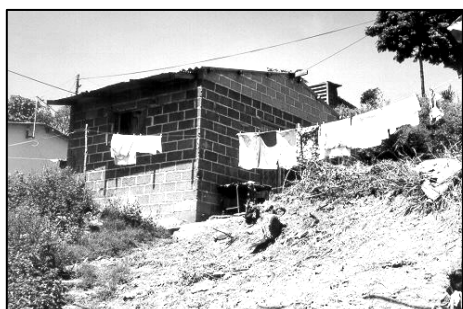
2 Core housing in the 1980s

It is interesting to note the immediate origins of the subsidy instrument and the core housing approach, given that the dominant form of government delivery soon became the project linked subsidy (where developers built at scale and matched qualifying 'beneficiaries' to core houses) in sprawling, peripheral settlements where land was relatively cheap and the reaction of existing residents to low income housing was minimised.

The direct origins of the approach can be traced back to the 1980s when the government began to take a pragmatic stance on urban development, and moved slightly away from 'separate development' and towards what was dubbed by commentators its 'orderly urbanisation' policy [8]. For the first time government called for the mobilisation of the private sector in the production of low cost housing and acknowledged the possibility that assisted self-help initiatives could be an acceptable form of housing delivery (Circular Minute No. 1 of 1983). Another agenda behind developments in 1980s state housing policy, was the wish to address the needs of what was seen as a volatile sector of the population. The 1985 Development and Housing Act confirmed a new move towards black home ownership. "The policy of black home ownership that was floated as early as 1976 and was fully operational by the early 1980s, was a self-conscious attempt to stabilise the urban population by creating a black middle class through home ownership and other social and economic reforms" [9].

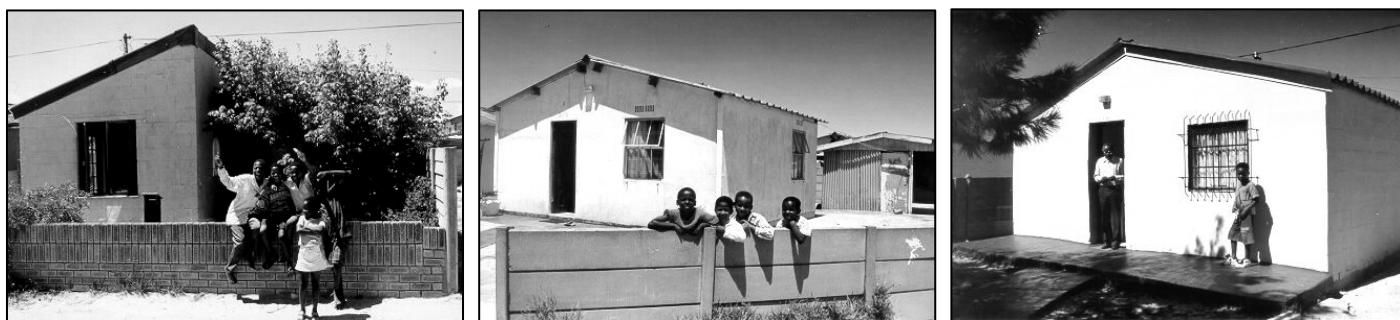
Slightly preceding this change in government policy, but countenanced by the authorities because the changes were imminent, was the initiation in 1980 of a core housing project in Inanda Newtown, north of Durban, driven by the non-government organisation, the Urban Foundation. Slightly after that, in 1983, the Nationalist government launched the Khayelitsha project east of Cape Town to support the resettlement of informally and formally settled people within the city (a move which was widely resisted).

The Inanda project led to the production of just less than 4000 houses, many of which were shell houses which households could sub-divide internally. They were built by locally trained contractors and placed on the site so that they could be extended along the contour in the steep Durban topography and by extending along the ridge of the roof. Residents were involved in the choice of the house type (linked to affordability) and the placing of the house on the plots, with the necessary technical input to make extension possible in most cases. In Inanda the local authority was capacitated, partly as a result of the ongoing presence of the Urban Foundation in a support role, to provide standard plans for extension to residents and to effectively approve plans submitted.



Two, four and six room houses in Inanda Newtown

In Cape Town the authorities driving the project were more overbearing and around 5000 houses were built by large construction companies without direct household input. However, they were designed to be extended. Houses were placed over to one side of the plot one metre from the side boundary (the usual side building line was relaxed), allowing more space to extend, and again the roof and gables were designed to allow cost effective add-ons. In Khayelitsha the support initiative foundered (a support centre was built but never staffed) as the greater political realities of the vicinity and time overshadowed the initial intentions of the authorities to aid residents in extending.



Mass built house types in Khayelitsha

After more than a decade a survey of consolidation patterns showed that 89% of Inanda Newtown residents had internally sub-divided their houses, 21% had added on permanent extensions and 14% had added rooms made of wattle and daub, timber panelling or corrugated iron. In Khayelitsha where the houses were smaller, only 23% of households had not added space, whilst 41% had added informal extensions, 24% had formal extensions, and another 11% had added a mix of informal and formal extensions. In addition to a range of social and economic causal factors, the design qualities of the projects influenced the ways in which residents responded. Significant influencing factors were the initial size of the houses in each project, the levels of service, and the quality of the support available to achieve the extension and improvement of houses [10].

Both projects, but Khayelitsha to a greater extent, fitted into the internationally established pattern of core housing delivery approaches which allowed the state or developers to horizontally stratify the participation process. In other words, building on Ward's [11] notion of the need for "vertically integrated" community participation, by separating the phases of a project the project planners (supported by policy instruments) stratify the participation process horizontally. Therefore, contractors were able to deliver at scale without the 'inconvenience' of community presence, and when the basic houses were ready, residents were able to 'participate' by occupying and completing the houses. This hermetically sealed phased quality of core housing delivery explains both the worldwide spread of the approach and its local dominance in the delivery of the bulk of housing in the current housing programme [12].

3 The 1990s and the emergence of new housing instruments

During the early 1990s the Independent Development Trust (IDT) was responsible for experimenting with the sites and service approach in preparation for the advent of a new housing policy under the impending democratic government. In an evaluation of the programme by McCarthy, Hindson, and Oelofse [13], it was observed that sites and services was an appropriate settlement form to match the affordability levels of households with a housing product especially in the situation where people

moved from informal settlements into a formal housing situation. The views expressed in this study were comprehensively challenged by Bond [14] where it was asserted that partial housing approaches were no kind of solution and that the study was based on a shaky method and was little more than a neo-liberal statement emanating from the Urban Foundation with which the authors had close ties.

The funding mechanism developed by the IDT, namely the capital subsidy scheme, was taken on by the post-1994 housing programme, but the provision of only land and services was rejected by the then Minister for Housing as being nothing more than the provision of 'toilets in the veld' [15]. Instead core housing became the main form of delivery.

Core housing was seen as supporting the progressive realisation of adequate housing. To qualify for the subsidy applicants needed to be citizens of South Africa, have dependants, and not have accessed a subsidy previously. A number of subsidy bands applied, with the highest subsidy going to the lowest household income earners. Funding was sufficient to service a site and to build a small core house. At first this led to the production of smaller and smaller houses [16] as municipalities tried to attain the highest level of services and the smallest possible house (i.e. shifting as much responsibility onto residents as possible). From 1999, national government developed norms and standards which defined the minimum size for houses as 30m². They also effectively partitioned the subsidy so that effectively just less than half of the subsidy amount applicable at that time could be spent on land and services [17].



Mass core housing under current policy (source: DoH)

These policies led to the production of very large amounts of core housing. As has been pointed out, of more than one and a half million houses delivered by government between 1994 and 2004 the vast majority were developer driven processes. Only between one and two percent were classed and supported as 'people driven' processes under the government mechanism designed to support self-help projects [18]. There were very few new sites and service schemes because early on in the new policy era the Housing Minister rejected this approach despite early experiments with it [19]. *In situ* upgrading was also neglected in the drive to deliver the one million new houses.

So the vast majority of settlements produced have been core housing for the very reason that it allowed such a clear cut division of the roles of the agencies involved in its production as well as delivery at scale. As Gilbert has pointed out, the capital subsidy goes beyond this in that it allows the government "...to limit the responsibilities of the State, to encourage market forces, to reduce protection against imports and to operate 'sound' monetary and fiscal policies" [20]. This could be achieved because a fixed number of subsidies is released each year and the State could therefore budget for this. It is not surprising therefore that core housing became the most common product of capital subsidies.

4 Design of houses in the new era

When the core housing projects of the 1980s (specifically Khayelitsha and Inanda Newtown) are compared to the bulk of delivery over the last 10 years under the current housing programme, some key differences emerge.

The development of Khayelitsha and Inanda Newtown took place under an oppressive regime which limited personal freedoms. However, on a purely physical level, there was significant design input from planners and architects which influenced the core housing design, the layout of the house and services on the plot, and the settlement layout. There was also attention to support for residents during the occupation process and at least an attempt to support people in their efforts to consolidate the settlements after occupation. The responses of the residents is evidence of this design and support input although the projects were not without some long term negative outcomes. For example, in Khayelitsha more than a decade after occupation, about a quarter of households had not been able to extend their small houses, and when compared to other households who had extended, these households were the poorest, with the least access to building skills, and experienced the greatest levels of overcrowding. In Inanda, where households had more space in their houses to start with, there was a greater correlation between the growth of households and the growth of the house, and hence houses were less crowded. However, initially low levels of service (water supply, sanitation, road quality) meant that the settlement was in greater need of further upgrading by the municipality.

The housing delivery process from 1994 to 2004 is similar in some ways but the design quality and levels of support levels were low. Most of the projects have been located on the far periphery of cities because developers sought to minimise land costs which had to be borne within the subsidy amount, and the location of new settlements was the responsibility of provincial housing boards rather than local authorities [21]. The granting of subsidies was on an applications basis meaning that the developers who had land and could demonstrate affordable delivery, were allocated the subsidies. There was minimal design input for settlement layout and house design. Houses are often one or two rooms with a bathroom in one corner or outside the house. Houses are most often placed directly in the middle of sites. Building regulations governing the quality of housing were sometimes waived (whether local by-laws or National Building Regulations) while planning regulations such as the enforcement of building lines were not. The housing subsidy allows for the professional inputs of planners and engineers but does not specifically allow for the remuneration of designers (architects, urban designers, landscape architects etc.) so design inputs have been minimal.

Households were left largely unsupported in their consolidation efforts by local authorities. Micro-finance and conventional bank finance was also hard to come by as banks retreated from the sector and non-traditional lenders failed to penetrate the market. Housing support initiatives and building support centres were implemented mainly in informal settlement upgrading projects or in areas where serviced sites were being supplied with houses, but not to core housing schemes where post-occupancy support was also required [22].

As a result of a lengthy allocation process for housing (i.e. the long periods which elapse between the point at which a household applies for a subsidy, is allocated one and occupies the house [23] and the lack of a secondary market which would allow people to sell their houses at a profit [24], a proportion of houses are quickly vacated by the qualifying household who is doubly disadvantaged by not being able to realise any meaningful value for the asset which the state has transferred to them.

Given the statements of intent in the 1994 White Paper and the 1997 Urban Development Framework, these kinds of outcomes were clearly not intended. Bond even argues that incremental housing was not the intention of the ANC before it came to power, but rather the implementation of a full, mass housing programme [25]. He blames the domination of private sector or neoliberal interests of the policy formulation process who were the main proponents of the incremental housing approach. This could only have remained a tenable interpretation in the short term, but government has not increased the proportion of the national budget vote for housing nor significantly increased the quality of houses built in over a decade.

5 Conclusion

One way to interpret the lack of design quality which has characterised the last decade of state funded housing delivery, is to view the delivery process as the spatial outcome of an essentially funding-driven mechanism. In the drive for the delivery of numbers (which has been successfully targeted to poor households), participation has been minimized as have costs and quality, and in turn this has compromised quality and amenity for the residents [26]. The core housing format lends itself to this, and it has been taken to an extreme in many of the projects which have been built. However, the programme had delivered mass housing and is, in its simplified form, by and large manageable by the state apparatus. People have, for the most part, responded positively and sought to maximise their opportunities [27].

New policy statements emanating from government seek to change these outcomes by going beyond high sounding visions and towards workable mechanisms such as enhanced funding for land purchase, incentives for densification, measures to stimulate the urban land and secondary housing markets, support for the operational costs associated with project management, the provision of primary municipal facilities, and greater involvement of the finance and construction sectors [28].

However the role of designers in the process remains largely undefined and unrecognised. Minimal initial design inputs to projects by designers which effectively bridge the gap between the layout planning and house/ service design with a view to creating a more enabling physical environment would go a long way to extending the usefulness of what is produced. The minimalism of the core housing approach as well as the existing funding regime, have meant that architects and urban designers have largely remained uninvolved in the low income housing sector.

There are significant differences in what is referred to as the 'social housing' sector, supported by the institutional subsidy, where designers have been involved in the design and construction of medium density, mostly inner city housing. In this area there is a high level of donor involvement. Donors often bear the cost of the design input and support non-government organisations to initiate and manage processes of production and management. Grouping of designers have been formed with the sharing of best practice being facilitated (again by donors). The quality of the housing environments so produced shows how important this aspect is.

Until the state recognises the social, economic and physical (even ecological) benefits of designing quality settlements, neighbourhoods will continue to be constructed which look like the visible manifestation of a financial spreadsheet. Core housing has already left an indelible mark on the South African landscape, from its beginnings in the 1980s flirtations of the apartheid government with the idea of assisted self-help, and more recently as a result of the household subsidy policy where government has needed to demonstrate volume delivery for the poor and previously disenfranchised. It is likely that existing core housing neighbourhoods will eventually be transformed and fully owned by residents, and that the original areas will be subsumed by people's own projects. It can only be hoped that from now on, through the better design of more enabling physical layouts and support initiatives, peoples efforts to invest in their home environments will be better supported.

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