

**PROVIDING ADEQUATE HOUSING IN SOUTH AFRICA IN THE
TWENTIETH AND TWENTY FIRST CENTURY**

By

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Declaration by student

I, the undersigned, hereby confirm that the attached treatise is my own work and that any sources are adequately acknowledged in the text and listed in the bibliography

Signature of acceptance and confirmation by student

Abstract

Title of treatise:	Providing adequate housing in South Africa in the twentieth and twenty first century
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The provision of adequate housing to the people of South Africa is a fundamental human right as entrenched in the Constitution of South Africa. In order to propose a solution to the problem of providing adequate housing, an understanding of the sources of the housing problem in South Africa needs to be explored.

The objective of this treatise is to identify the origins of the housing problem in South Africa in the twentieth and twenty-first centuries by examining various policy instruments employed by the State that had an effect on housing provision, the current policy instruments employed by government to solve the problem and finally a look at how the problem of housing has been solved in the Netherlands which may be used as a benchmark for policy formulation in South Africa. In addition, the study will also make mention of historical events that shaped the social fabric of South Africa, which had an impact on housing provision for more than a century.

TABLE OF CONTENTS

CHAPTER 1: Introduction and Background	4
1.1 Topic Overview	4
1.2 Statement of Main Problem	5
1.3 Statement of Sub-problems	6
1.4 Research Delimitations	9
1.5 Terms and Definitions	9
1.6 Assumptions	9
1.7 The Importance of the Study	10
1.8 Research Methodology	10
CHAPTER 2: What were the challenges in the provision of housing in South Africa during the post South African War period between 1900 and 1948, how did this period influence the current housing problem and were any policies employed successfully?	12
2.1 Introduction	12
2.2 South Africa under the British Empire (1900-1910) and the origins of segregation	13
2.3 Housing in South Africa 1910 to 1948	17
2.4 Summary	21
2.5 Conclusion	21
2.6 Hypothesis Test	22
CHAPTER 3: What were the challenges in the provision of housing in South Africa in the Apartheid period from 1948 to 1994, how did this period contribute to the current housing problem and were any of the policies successful in solving the problem at the time?	24
3.1 Introduction	24
3.2 Urban Policy	25
3.3 Apartheid Legislation	26
3.4 General Consequences of Apartheid Era Urban Policy	29
3.5 South Africa's Housing Situation in 1994	29
3.6 Summary	34

3.7	Conclusion.....	35
3.8	Hypothesis test.....	35
CHAPTER 4: What were the challenges with regard to housing provision in South Africa during democracy from 1994 to 2004 what policies were employed to solve the problem and were any of the polices employed successfully?		
4.1	Introduction.....	37
4.2	A Synopsis of Post-Apartheid Policy.....	38
4.3	The Housing White Paper.....	40
4.4	The Local Government White Paper.....	44
4.5	The Urban Development Strategy.....	45
4.6	Summary	46
4.7	Conclusion.....	47
4.8	Hypothesis Test.....	48
CHAPTER 5: What are the current challenges with regard to housing provision in South Africa during democracy from 2004 to the present and how is the problem being solved and are the current policies being employed successfully?		
5.1	Introduction.....	50
5.2	Housing policy Context.....	51
5.3	Housing Supply and Demand in 2004.....	52
5.4	Overview of Breaking New Ground Housing Policy	55
5.5	Have the goals of the Breaking New Ground Policy been achieved?	62
5.6	Integrated Residential Development Programme (IRDP).....	63
5.7	Upgrading of Informal Settlements Programme (UISP).....	65
5.8	Social Housing Programme	66
5.9	Institutional Housing Subsidy Programme	67
5.10	Community Residential Units (CRU) Programme	68
5.11	Housing to middle income households	69
5.12	Summary	71
5.13	Conclusion.....	71
5.14	Hypothesis Test.....	71
CHAPTER 6: What are the housing policies being employed internationally and how successful are these policies in solving the housing problem?		
6.1	Introduction.....	74

6.2	Social housing in the Netherlands.....	74
6.3	Summary	77
6.4	Conclusion.....	77
6.5	Hypothesis Test.....	78
CHAPTER 7: Summary and Conclusions		79
7.1	Background	79
7.2	Summary	79
7.3	Conclusion.....	80
7.4	Suggestions for further research.....	82
BIBLIOGRAPHY		83

Table of Figures

Figure 1 - South Africa's Historical Urbanisation Trends – 1904-2001 (Statistics South Africa:2006)	16
Figure 2 - Homelands (Mathieson, et al:1998)	28
Figure 3 - Graphical Comparison of houses built between 1994 and 2004 (Statistics South Africa:2006)	47

CHAPTER 1: Introduction and Background

1.1 Topic Overview

The provision of adequate housing to lower and middle income South Africans has been a highly emotive and politicised topic throughout the history of South Africa. The need for housing is at the lowest level of Maslow's hierarchy of needs and according to clause 26 of the Constitution of South Africa, No 108 of 1996 (Constitution) "Everyone has the right to access to adequate housing". According to clause 10 of the Constitution, "Everyone has inherited dignity and has the right to have their dignity respected and protected". These clauses illustrate that humans cannot experience a sense of dignity without having adequate housing. A solution to the problem of the provision of adequate housing remains elusive. Therefore the logical conclusion to be drawn based on the aforementioned problem is that people's rights, as entrenched in the Constitution are being neglected on a continuous basis.

Since the dawn of democracy in South Africa in 1994 and every democratic election since, every political party campaigning in such elections, has placed the provision of housing as a top priority in its election manifesto. However, a concrete proposal on how to go about solving the problem within the constraints of limited national resources has left the electorate with more questions than answers.

The provision of adequate housing goes beyond the simple provision of a single free standing residential dwelling. The provision of proper township establishment, infrastructure, services such as storm water drainage, sewerage, potable water, electricity, etc. go hand-in-hand with the provision of the housing units themselves.

Integration of fragmented communities, development of sustainable settlements and correcting the inequalities of the past, all need to be kept in mind when solving the problem of housing in South Africa.

The solution to any problem evolves from firstly understanding the origins of the problem, and based on an understanding of these origins, an acceptable solution may be proposed. The problem of housing in South Africa is unique; therefore finding a solution will not be a simple task. In seeking answers to the question of housing, a study of the origins of the problem, attempts made to solve the problem and international case studies where the problem has been successfully solved need to be explored. A solution based upon the preceding study may be proposed.

The treatise is concerned with the challenge of providing adequate housing to all South African households in the twentieth and twenty-first centuries. The policies and strategies employed by the various governments of the Republic from 1900 to the present day with regards to housing provision will be explored. All hypotheses will be proposed with continuous reference to the Constitution as a guiding light and benchmark in seeking a solution to the problem. Finally, policies applied internationally that may be used as a benchmark for success in South Africa will also be studied.

1.2 Statement of Main Problem

1.2.1 What are the challenges in the provision of adequate housing in South Africa in the twentieth and twenty-first centuries and how can the problem of providing housing to lower and middle income South Africans be overcome?

Hypothesis

Before the advent of democracy, government policy was directed at giving housing support to lower and middle income White South Africans only, with the Non-White majority being neglected. Post-apartheid, the housing problem has only partially been solved. Middle income households who do not qualify for government assistance or for finance from a commercial financial institution have been neglected. The solution to the housing problem would be the provision of government subsidised rental housing for lower income groups, bond subsidies for middle income groups and the introduction of a complete inclusionary housing policy in general as has been implemented internationally. Together with the above, public-private partnerships (PPP) must be created in the provision of social housing.

1.3 Statement of Sub-problems

1.3.1 What were the challenges in the provision of housing in South Africa during the post South African War period between 1900 and 1948, how did this period influence the current housing problem and were any policies employed successfully?

Hypothesis

The majority of the African population in the early part of the 1900's lived in rural areas with housing needs met by the locals themselves. After World War II, rapid urbanisation accompanied by the demand for labour in the cities increased the demand for housing. The Government housing policy during this period was directed strictly at the provision of housing for lower and middle income White South Africans, with little regard for members of other races.

1.3.2 What were the challenges in the provision of housing in South Africa in the Apartheid period from 1948 to 1994, how did this period contribute to the current housing problem and were any of the policies successful in solving the problem at the time?

Hypothesis

Prejudicial policies of the Apartheid government further exacerbated the housing problem for the non-white majority, in particular the introduction of the Group Areas Act. Attempts were made by the government to curtail urbanisation and provide housing to non-whites in the “group areas”, with limited success. Informal settlements, with shacks became the norm in traditional non-white areas.

1.3.3 What were the challenges with regard to housing provision in South Africa during democracy from 1994 to 2004, what policies were employed to solve the problem and were any of the policies employed successfully?

Hypothesis

Government introduced a policy of providing free RDP houses to lower income groups. The free housing policy did not solve the problem of housing in urban areas as the need for densification was not met. During this period the need for housing assistance to middle income groups was not addressed together with the need for integration of different income groups. The group areas problem inherited from the previous government still remained a challenge. The housing problem was only partially solved during this time with policy emphasis, capacity and funding curtailing delivery of adequate housing.

1.3.4 What are the current challenges with regard to housing provision in South Africa during democracy from 2004 to the present and how is the problem being solved and are the current policies being employed successfully?

Hypothesis

In 2004 the government introduced the “Breaking New Ground” policy which has vastly improved the housing situation in South Africa. The policy makes use of instruments such as public-private partnership (PPP) in the provision of social housing, subsidised rental housing, inclusionary housing and a number of other instruments. However, the plight of middle income groups who do not qualify for government assistance or for financial assistance from commercial financial institutions has not been adequately addressed. Therefore the policies have not successfully solved the housing problem, because housing targets have not been met. To this day people do not have access to adequate housing.

1.3.5 What are the housing policies being employed internationally and how successful are these policies in solving the housing problem?

Hypothesis

Government subsidised rental housing, social and inclusionary housing policies have been implemented with great success in developed and developing countries. These policies may be used as benchmarks in South Africa.

1.4 Research Delimitations

The primary aim of the treatise is to provide an overview of how the housing problem has evolved, the action taken by various governments over time to solve the problem and finally a proposed solution to the problem.

The study will be limited to housing policies in general and the success or failure of such policies in South Africa and to a lesser degree internationally.

1.5 Terms and Definitions

Apartheid

A political system in South Africa from 1948 to the early 1990s that separated the different peoples living there and gave privileges to those of European origin.

Housing

The provision of dwellings to live.

Household

The people who live together in a single home.

Policy

A programme of actions adopted by a person, group, or government, or the set of principles on which they are based.

1.6 Assumptions

No assumptions were made during the compilation of this treatise.

1.7 The Importance of the Study

The housing problem in South Africa can only be understood if one examines how the problem evolved. The South African story is unique and complex, therefore the solution to the problem of housing may require a unique and complex solution.

The importance of the study is primarily to provide a solution to the housing problem in South Africa by examining the successes and failures of the past and present.

1.8 Research Methodology

The treatise will include but will not be limited to the following resources:

Reference books

Textbooks and reference books contained in libraries will be the primary source of information in the treatise.

Journals and Articles

Journals by nature are a valuable source of current information on a number of relevant topics. Journals are peer reviewed which makes the information and opinions contained therein relevant and valuable. Newspaper and magazine articles are informative, but must be used with caution as the articles may not have been subject to scrutiny or review.

Internet sources

Internet sources must be utilised with extreme caution as the content of such sources may not be trustworthy. Any internet sources will be scrutinised very carefully and only reputable websites used as a source of information.

CHAPTER 2: What were the challenges in the provision of housing in South Africa during the post South African War period between 1900 and 1948, how did this period influence the current housing problem and were any policies employed successfully?

2.1 Introduction

According to Maylem (1995) during the period from 1900 to 1948 no good historical overview of the South African housing policy existed. Specific case studies can be identified; however a concise overall picture has yet to be formulated. What does emerge is that the housing policy changed over time and it was never uniform at any one time. For long there was a tendency for controlling bodies during this period to pursue a housing policy that differentiated between different sections of the black population: between migrant workers and the established proletariat, between the aspirant middle class and those beneath them, between domestic workers and other urban employees, and between different ethnic groups.

Research undertaken during the compilation of this study has revealed that to date there is a gap in the historical literature when it comes to South African housing policy from 1900 to 1948. This chapter will seek to explain housing policy with insights from historical events and specific case studies.

The period from 1900 to 1948 spans 48 years of South African history. The South African War (Anglo-Boer War) ended with the signing of the Treaty of Vereeniging in 1902. South Africa was divided into four British colonies, namely the original British colonies of the Cape and Natal and added to this the former Boer Republics of the ZAR (Zuid Afrikaanse Republik) and the Orange Free State.

In order to reconcile Boer and British interests, the Union of South Africa was formed in 1910, South Africa henceforth became a dominion of the British Empire with Louis Botha becoming the Union's first Prime Minister. It is important to note that the Union of South Africa was an important ally of the United Kingdom during the First and Second World Wars. In 1948 the National Party under D.F. Malan won the general election and began to introduce the Apartheid policies. (Thomson:2000).

2.2 South Africa under the British Empire (1900-1910) and the origins of segregation

2.2.1 The origins of segregation

In order to understand the problem of housing provision one must first assess the origins of segregation in South Africa. Many scholars have debated the question of the origins of segregation with some suggesting that segregation in South Africa has its true manifestation in the group areas legislation of the 1950's (Maylam:1995). However, according to Christopher (1983), the origins of segregation can be traced back to the English colonisation of Wales and Ireland. Christopher (1983) gives a more relevant example of localised segregation as is the case with Port Elizabeth. It is suggested that Port Elizabeth was one of the principal cities where the foundations of Apartheid were founded. The London Missionary Society established a formal black settlement on the fringes of the city in 1834. In 1850, the Port Elizabeth municipality created the Native Strangers Location where non-whites were allowed to reside. It was thought by the colonial administration that black people were aliens in urban areas. One hundred years before the Group Areas Act, the Port Elizabeth local authorities enforced regulations requiring black people to live in the Native Strangers Location if they were not housed by their employer or if they were the owners of residential property (Baines:1990).

There is evidence that segregation gained some recognition in the two Boer Republics of the ZAR and Orange Free State.

In the 1890s Kruger's government set aside areas of land in Johannesburg for separate Malay and African 'locations' (Parnell: 1991)

Segregation in South Africa would gain momentum in the twentieth century and eventually become law with the advent of the Group Areas Act of 1950. Many more examples of early segregation policies exist and therefore the study of segregation is an extensive one. Housing policy in South Africa during the period from 1990 to 1994 is influenced primarily by the policy of segregation. Housing policy differed for different sectors of the population and even for different sectors of each racial group. It is important to understand the origins and mechanism used to implement segregation in order to understand the problem of providing adequate and equitable housing.

2.2.2 Urbanisation post-South African War

The advent of the British Empire and the discovery of gold, diamonds and other commodities in South Africa in the late 19th and early 20th centuries resulted in a steady expansion in industrial, manufacturing, mining and transport infrastructure. The South African War resulted in large numbers of Boer and black people who were interned in concentration camps being unable to return to their farms and homes because of the "scorched earth" policy employed by the British during the war. (Thomson:2000)

The signing of the Treaty of Vereeniging in 1902 ended the South African War and created four separate British colonies. During this period the majority of the population lived in rural homesteads and farms. The end of the war and the resultant destitution of Boer/Afrikaner and black populations resulted in an influx of people seeking employment in urban areas, created as a result of mining activities.

This in part resulted in the so called “poor white” problem. Many Afrikaner and black people had to be accommodated in segregated housing and hostel developments provided by the mining companies themselves. (Thomson:2000)

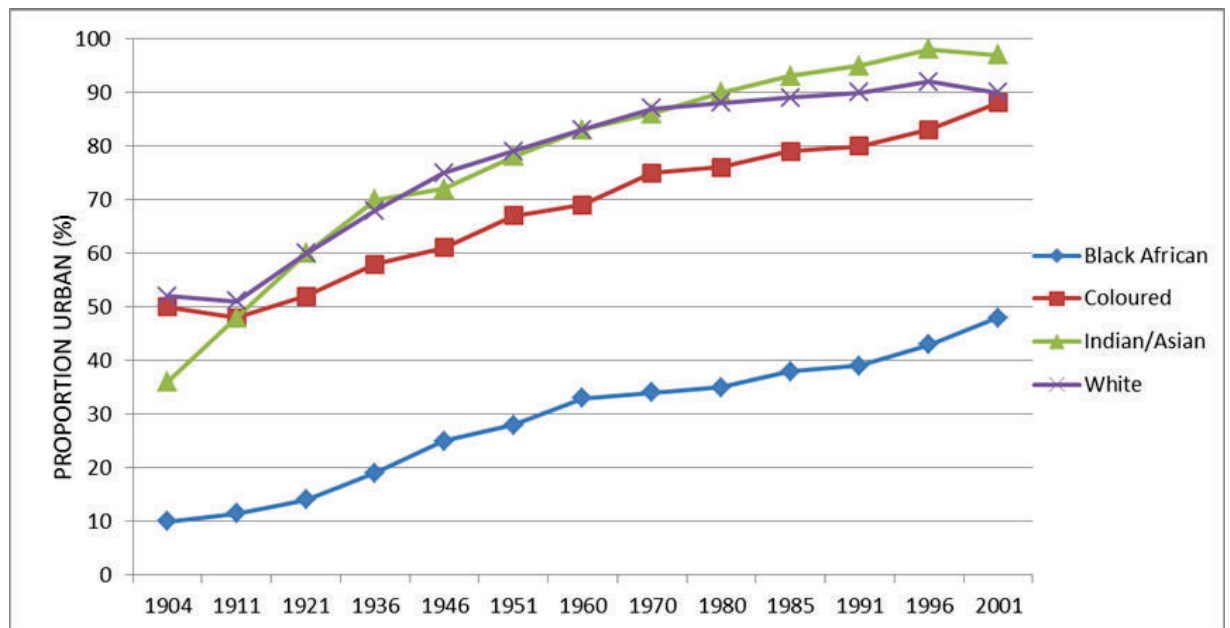
The majority of the Black African population lived in rural areas with only approximately 10% living in urban areas. The government saw any influx of black people into urban areas as temporary and saw no need to provide formal township establishment and housing provision. The British administration sought to stem the flow of black migration by encouraging Chinese immigration and by limiting the movement of black people into urban areas. Various pieces of legislation were passed that began the process of marginalisation of non-white groups. Examples of such segregation legislation was the General Pass Regulations Bill of 1905, which denied black people the vote altogether, limited them to fixed areas and inaugurated the infamous pass system; the Asiatic Registration Act of 1906 requiring all Indians to register and carry passes. The aforementioned affirms the fact that non-white groups were becoming more marginalised and therefore the provision of housing to these groups was not a priority. (Thomson:2000)

In this period Afrikaner communities living predominantly in rural areas as poor farmers were becoming more marginalised. The British administration attempted unsuccessfully to anglicise Afrikaners by imposing English as the official language in school and the work place. The resultant surge in Afrikaner nationalism would have far reaching implications later in the century. (Thomson:2000)

Figure 1 illustrates the historical urbanisation trends between 1904 and 2001. The various data inputs are based on the various censuses undertaken in South Africa. Urbanisation took off rapidly in general for all race groups from 1911 onwards.

The slow rate urbanisation of Black Africans is attributed to the attempt by the government to curtail the influx of Black Africans into urban areas and that fact that the government viewed them as temporary residents in urban centres. (Thomson:2000)

Figure 1 - South Africa's Historical Urbanisation Trends – 1904-2001 (Statistics South Africa:2006)



2.2.3 Housing policy

Housing policy during this period was categorised by various legislative measures to enforce segregation. In Port Elizabeth racial restrictions on the urban residences were written into title deeds. Town planning schemes were developed in a way where new suburbs were laid out to later become racially segregated. The Pietermaritzburg City Council inserted anti-Asiatic clauses into title deeds (Mills:1995).

Housing policy during this period was primarily concerned with the housing of migrant workers who were utilised on the mines.

The mining compound is viewed historically, not as a solution to the problem of housing, but a form of labour control. The primary motivation for providing such compounds was to facilitate control of the labour force and save on transport costs. The variant of the compound was the hostel. In 1878, one of the earliest accounts of a single sex hostels in an urban area was a hostel built for dock workers. During this period hostels became a source of social-economic decline and were always segregated along racial lines, but also along class lines within racial groups. Hostel dwellers were viewed as migrant labourers requiring temporary accommodation only. The aim was to separate single migrant workers from other urban dwellers (Moroney:1978).

It is clear from the aforementioned study that the period 1900 to 1910 was marked by the entrenching of segregation through housing policies.

2.3 Housing in South Africa 1910 to 1948

2.3.1 Background

The period between 1910 and 1948 was characterised by various governments and coalitions. Housing policy during this period became more about controlling the influx of black people into urban areas and the promotion of segregation.

2.3.2 The 1913 Natives Land Act

In 1910, the Union of South Africa was proclaimed and the four colonies of the Cape, Natal, Orange Free State and Transvaal become provinces in the Union of South Africa.

In 1913 the Natives Land Act (No 27 of 1913) was enacted as a result of pressure from whites to curtail encroachment of blacks into white areas. The Act created separate black and white reserves, where any transaction of fixed property between the two groups was prohibited.

Clause 1 of the Natives Land Act (No 27 of 1913) outlines these specific stipulations:

(1) "Except with the approval of the Governor-General --

a. a native shall not enter into any agreement or transaction for the purchase, hire, or other acquisition from a person other than a native, of any such land or of any right thereto, interest therein, or servitude thereover; and

b. a person other than a native shall not enter into any agreement or transaction for the purchase, hire, or other acquisition from a native of any such land or of any right thereto, interest therein, or servitude thereover."

A commission was established whereby the various designated areas were to be identified and allocated to the blacks and whites. The net result was that 80% was designated for whites, with the remaining 20% for blacks. The Act made provision for black people to live outside the designated reservation if they were able to prove that they were in the employment of whites. The Act did receive resistance from the South African Native National Congress (later the ANC) which was formed the previous year. (Davenport 1991).

According to Muller (1981) the effect of the 1913 Natives Land Act was that black ownership of fixed property would be limited to the areas designated for their use. However socio-economic factors that would lead to rapid urbanisation would make the Act unworkable. Residential accommodation needs for black people in urban areas would be neglected because the Act did not recognise black people as permanent residents of areas allocated to white people under the Act.

2.3.3 Characteristics of Housing Policy during this period

Housing policy during the period from 1910 to 1948 was dominated by the implementation of segregation in housing policy.

An example of this would be the Central Housing Board set up under the 1920 Housing Act, where it only approved grants for housing projects that were racially oriented. In 1927 a housing project was approved in a designated area exclusively for coloured occupancy (Mabin:1991).

The Public Health Act No. 36 of 1919 increasingly viewed disease in racial terms. Segregation was promoted in urban areas as the solution to urban health problems. The authorities perceived the health problems in urban areas as a result of overcrowding and unsanitary living conditions of urban black people (Mabin:1991). The Slums Act of No. 54 of 1934 also sought to implement residential segregation in the name of public health. The Act enabled the Medical Officers of Health sweeping powers to expropriate residential property deemed to be danger to public health (Van Graan:2009) However, according to Maylam (1995) the Slums Act was nothing more than mechanism to remove black slum communities to create space for white middle class housing schemes and developments. In Johannesburg an example of the implementation of the Act was in the 1930's where the Bertams Township was "cleared" of its black residents and a white middle class housing scheme established on the vacant land.

According to Parnell (1991) the clearing of slum areas in Johannesburg in the 1930's was not solely with the intention of implanting segregation as a housing policy. There was increasing demand for land for business developments in strategic areas such as the CBD.

Town planning schemes and ordinances also had a role to play in creating the housing problem in South Africa as opposed to solving it.

The 1931 Transvaal Town Planning Ordinance sought to create zoning along racial lines.

According to Parnell (1991) the Housing Amendment Act of 1943 brought about racial restrictions in the ownership and occupancy in public housing schemes. Local authorities during the 1940's were becoming more and more concerned with growing and uncontrolled black settlements in urban areas.

It should be pointed out that housing policy during the 1930's and 1940's was also geared towards class-differentiation of black urban dwellers. Urban policy makers tried to establish housing areas for aspiring black middle class communities. Examples of this policy were the establishment of Langa near Cape Town in 1920's and the Dube housing scheme in Soweto in the 1940's. These policies were aimed at supporting and developing an African middle class. (Torr:1984)

It is a common misconception that residential segregation based on race and class occurred under the National Party government between 1948 and 1994. However the evidence illustrates that the government, between 1910 and 1948 implemented policies that accelerated segregation in South Africa. Residential segregation gained momentum in the late 1940's under the United Party, in stark contrast to the widely held view that when the National Party came to power in 1948, all progressive liberal policies were undone, and the National Party only accelerated and implemented more vigorously a policy of segregation already in place.

Measures under taken by the United Party Government before 1948:

- In 1944 the Johannesburg City Council approved a scheme whereby the black freehold settlements of Sofiatown, Martindale and Newclare were to be removed, this, ten years before the actual removal was carried out by the National Party Government.
- In 1940, the Cape Town City Council proposed that District Six be eliminated
- The segregationist legislation directed against Indians enacted under the United Government in the 1940's such as the Pegging Act of 1943 and the Ghetto Act of 1946.

2.4 Summary

The origin of segregation in South Africa can be traced further back in time than the Group Areas Act of the 1950's. It is clear that between 1910 and 1948 housing policy was directed primarily at curtailing the urbanisation of black people and promoting a policy of segregation. The government of the time tried in vain to establish segregation along class lines among black people. The problem of housing in urban areas was exacerbated by the fact that very few urban areas were designated for black people. Large areas in major cities were cleared to make way for business and white-only developments. The aforementioned policies contributed to the early development of informal settlements on the fringes of major cities.

2.5 Conclusion

The aforementioned policies contributed to the early development of informal settlements on the fringes of major cities.

The government interference in the property market and restrictions placed on ownership as contemplated in the 1913 Natives Land Act resulted in the demand for housing not being adequately met, curtailed transaction between races and therefore further contributed to the problem of equitable housing provision. The liberal idea that the National Party dismantled progress made during the 1930's and 1940's in terms of redressing segregation is a myth; the United Party at the time became more segregationist until 1948 when it was defeated by the National Party.

2.6 Hypothesis Test

2.6.1 Hypothesis

The majority of the African population in the early part of the 1900's lived in rural areas with housing needs being met by the locals themselves. After World War II, rapid urbanisation accompanied with the demand for labour in the cities increased the demand for housing. The Government housing policy during this period was directed strictly at the provision of housing for lower and middle income White South Africans, with little regard for members of other races.

2.6.2 Hypothesis Test

The governments housing policy sought segregation and control of black migration in favour of providing adequate housing to all races. It is not true that all housing schemes were only for white people as can be seen in the case of the Dube housing scheme in Soweto where attempts were made to address the housing needs middle class black people. The above hypothesis is too narrow when trying to explain how the period between 1900 and 1948 contributed to the problem of housing in South Africa.

It should be expanded to include the following important points:

- The policies during this period were primarily directed as control of black urbanisation and encroachment into white areas.
- Segregation of people along race and class lines
- Urban planning, housing policy and housing schemes were only approved if based on race.

CHAPTER 3: What were the challenges in the provision of housing in South Africa in the Apartheid period from 1948 to 1994, how did this period contribute to the current housing problem and were any of the policies successful in solving the problem at the time?

3.1 Introduction

The Second World War waged between 1939 and 1945, led to an economic “boom” in South Africa. There was an increasing demand for black labour in the mining and manufacturing sectors of the economy. The resultant influx of migrant labour caused an exponential increase in informal settlements along the fringes of Johannesburg and other major centres.

In 1948 the “Herengigde Nasionale Party” (Re-united National Party) narrowly defeated the United Party of Jan Smuts in the general election. In the run-up to the election, the National Party under the leadership of D.F. Malan campaigned for the policy of Apartheid. Apartheid was a system of racial segregation enforced through legislation at every level of government.

A white-only referendum was held in 1961 to answer the question of South Africa becoming a Republic. The National Party had been lobbying for a Republic since 1948. South Africa left the Commonwealth and became a Republic on the 31st of May 1961. Apartheid laws were firmly entrenched during the period from 1961, with some relaxation of the laws in the late 1980's. In 1990, following civil unrest and international isolation the South African Government unbanned political organisations such as the African National Congress (ANC) and negotiations for the peaceful transition of power began. The first democratic general elections took place on April 27 1994 with the ANC led by Nelson Mandela winning the election and coming into power.

The successive governments of 1948 and 1994 represented a complete shift in urban policy from being exclusive in nature to inclusive in nature.

3.2 Urban Policy

The period between 1948 and 1994 is one marked by an increasing propensity towards central state control of urban planning. The National Party government centralised, implemented and administered a more radical, racially and segregated urban policy. Cities were reshaped into a more Apartheid model and local authorities were given less self-government with respect to urban planning. Segregated urban policy was implemented more rigidly, systematic and vigorously than the preceding government. (Pirie:1987)

A surge in urban population occurred during World War II, when the black population of Johannesburg increased from 244,000 in 1939 to 400,000 in 1946. Very little formal housing development occurred during these years due to the war efforts. As a result there was a proliferation of predominately black, unregulated informal settlement. (Setswe:2010)

Two stark, radical pieces of legislation were enacted: the Group Areas Act of 1950 and the Prevention of Illegal Squatting Act of 1951. These laws produced, by the mid-1960s, cities where informal settlements had been replaced by extensive townships on the urban peripheries. (Setswe:2010)

Massive forced removals saw the labour tenant system replaced by a contract labour system. Between 1960 and 1982, 3,5 million people were forcibly removed by the state and put into homelands. Approximately 700 000 more people were removed from urban areas declared 'white'.

In 1967 the government stopped township development outside the homelands and 65 000 Sophia town residents were removed from their homes. (Marais, 1998)

Abolition of Influx Control Act No 68 of 1986 repealed the Natives (Urban Areas) Act of 1923, which had controlled the movement of black men between urban and rural areas for over 50 years. This triggered yet another intensive period of urbanization for which adequate urban planning had not been undertaken. (Setswe:2010)

3.3 Apartheid Legislation

This section will discuss the various pieces of Apartheid legislation that may have directly or in-directly influenced housing provision in South Africa between 1948 and 1994. It must be stressed that policies aimed at segregation were introduced as early as the 1830's as discussed previously.

3.3.1 Population Registration Act (No. 30) of 1950

The aim of the Act was to categorise all South Africans into one of three population groups, namely White, Black or Coloured. The Act made no separate distinction for Asians. Asians were at the time classified under Coloured. In 1959 a separate category, namely Asian was created. The result of the Act from a housing point of view was that the population of South Africa was now racially categorised on a national level, which now meant that the implementation of segregation through legislation was made more efficient and accelerated. The Act was a precursor to the Group Areas Act.

3.3.2 Group Areas Act (No 40) of 1950

The primary aim of the Act was to make residential segregation a statutory requirement.

The Act proposed legal provisions for the specific areas where different racial groups could and could not own property, reside and work. The ultimate goal of the Act was to control the movement of non-white populations into urban areas. A widely held truth was that non-whites were non-permanent residents of urban areas. In order to control and consolidate the existing populations already residing in urban areas, the government established semi-urban townships for black, coloured and Indian population groups. The government reasoned that the establishment of such areas would prevent civil unrest which would threaten white areas.

Traditional property rights were overlooked and mass evictions of population groups residing in “incorrect” areas ensued. The government overlooked township development outside the homelands established in 1936 in accordance with the Development Trust and Land Act (No. 18) of 1936.

3.3.3 Bantu Homelands

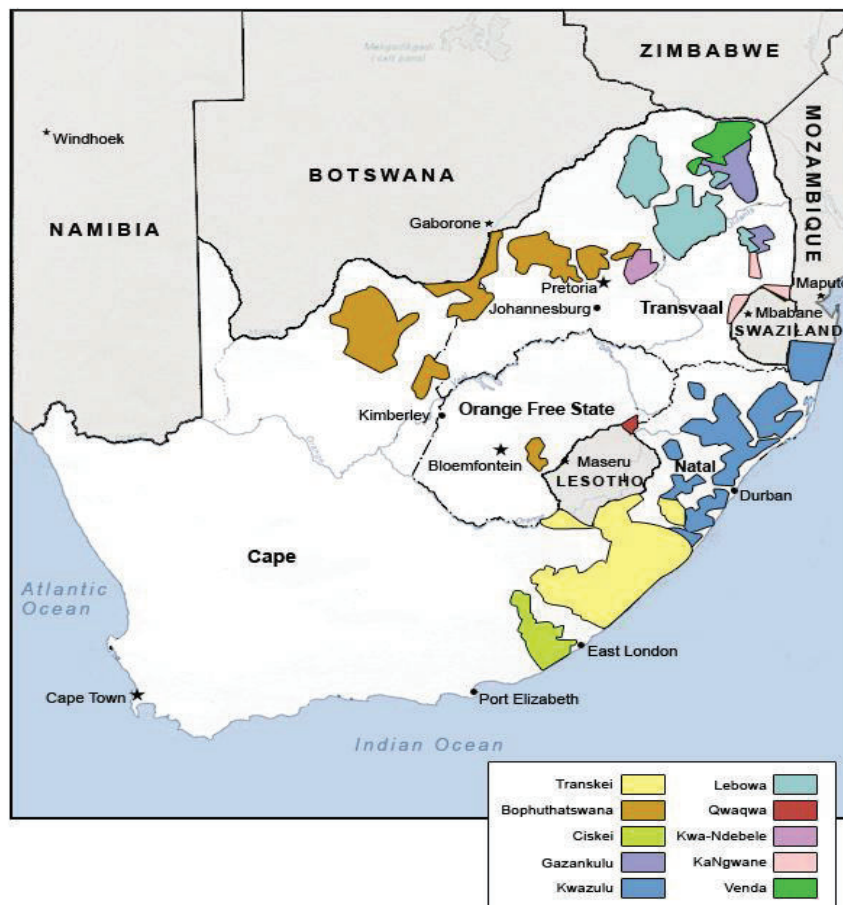
The Bantu Citizens Act of 1970 was enacted with the intention of requiring that all Africans be given exclusive citizenship of the designated homelands. The Act entrenched the policy that Africans were citizens of the homelands and not of South Africa. The requirement for citizenship of a particular homeland took no cognisance of place of birth or current residence. The homelands were officially granted semi-autonomous status with the enactment of the Promotion of Bantu Self Government Act of 1959. The “Bantustans” came into existence based on the territorial demarcation laid down in the Land Act of 1913 (amended in 1936).

The newly created homelands constituted 13% of the land area of South Africa reserved for approximately 75% of the population. No other country recognised the homelands autonomy. (Mathieson, et al:1998)

The views of Connie Mulder, Information and Interior Minister in 1970 sums up the government intent with the introduction of the homeland policy

"No Black person will eventually qualify [for South African nationality and the right to work or live in South Africa] because they will all be aliens, and as such, will only be able to occupy the houses bequeathed to them by their fathers, in the urban areas, by special permission of the Minister."

Figure 2 - Homelands (Mathieson, et al:1998)



3.4 General Consequences of Apartheid Era Urban Policy

The new townships failed to develop any economic or social vitality. Neighbourhoods and even families had been broken up in the removals and people were put in new areas that lacked infrastructure. The group areas removals put the poor at a significant distance from their places of work, often without adequate public transport. The absence of established social norms gave rise to high crime rates and social decline. (Parnell:1991)

In the first fifteen years of apartheid there was large-scale construction of dwellings for black groups. By 1958 many former slums in and around the major cities had been cleared and some 100 000 houses for blacks had been built under the supervision of Henrick Verwoerd's Department of Native Affairs. As in most township developments, the dwellings were small and the township architecturally monotonous, with few public facilities. (Parnell:1991)

Despite policy efforts to control movement, the 1970s witnessed another period of urban bound migration. In 1980 with poor government support for low-income housing there was greater acceptance of informal settlement and a move toward self-help, site and service areas. The resulting informal development occurred largely adjacent to the townships. (Parnell:1991)

3.5 South Africa's Housing Situation in 1994

The following section explains the situation faced by the newly elected government in 1994. All facts stated herein are based upon the White Paper on "A New Housing Policy and Strategy for South Africa" Department of Housing, 1994.

In 1994 the first democratic elections took place and the ANC took power. It was clear at the time that a massive housing shortage existed and a new policy needed to be formulated to solve the problem of housing. Before government policy could be formulated, an understanding of the state of affairs in the housing sector needed to be explored. The key problems that the new policy needed to address were identified. These challenges may be viewed as the primary consequences of Apartheid housing policy.

3.5.1 The Scale of the Housing Problem

The rapid growth of populations in urban areas increased the need for the provision of adequate housing for low income members of the South African population

Large disparities existed in the state of housing between rural and urban areas, provinces and different urban areas. The majority of the South African population formed part of lower income groups and therefore was unable to afford the provision of adequate housing making use of their own resources alone.

3.5.2 The Structure of Human Settlements

One of the main consequences of Apartheid policy in terms of urban planning was the production of a system of wasteful human settlement structures. The following characteristics of the structure of human settlements in South Africa are identified:

- Highest need for housing is concentrated in urban areas,
- Inefficient and inequitable cities,
- Geographic segregation of living areas according to race and class,
- Urban sprawl,

- Disparate levels of service provision and access to amenities,
- Cities were expensive to manage and maintain,
- Dispersed rural settlement structures, which made access to socio-economic amenities problematic.

3.5.3 Institutional Framework Governing Housing Provision

The previous framework for housing provision was characterised by duplication and fragmentation of housing and institutions funding mechanisms. Geographically the TBVC (Transkei, Bophuthatswana, Venda and Ciskei) States and homeland areas had jurisdiction for housing in their areas. The resultant duplications, overlapping and misunderstanding in and between the various housing institutions resulted in inefficiencies and wastage. The framework resulting from Apartheid policy may also be regarded as an approach inequitable between race groups.

3.5.4 Policy Framework

The collapse of Apartheid in 1994 resulted in a policy framework with the following characteristics:

- A lack of an overall housing strategy,
- inadequate definition of roles and responsibilities of the various role players in the housing sector,
- exclusion of rural housing needs,
- marginalisation of workers and families of workers within the hostels,
- duplication and fragmentation of legislation governing housing provision.

3.5.5 End-User Finance and Subsidies

In 1994 constraints existed in the structure and availability of end-user finance for housing. Poorly focused utilisation of funds resulted in an inadequate impact of such expenditure. The duplication and poor targeting of poor households in the allocation of funding has caused wasteful and inefficient expenditure. Inadequate retail lending capacity and resistance from formal financial institution to make finance available to low-income groups still prevents many households from accessing adequate housing, despite the fact that such households may afford such financing.

3.5.6 Land and Planning

The perception in South Africa that land is an infinite and cheap resource has resulted in a situation where land utilisation has been wasteful and inefficient despite a sophisticated land registration system. Apartheid urban policy saw no need for densification or social cohesion. Inefficient land use made the provision of adequate services to household expensive. The land planning policy was based on racial criteria and reluctance on the part of local authorities to accept responsibility for low-income housing added to the problem of adequate housing provision.

3.5.7 The Construction Sector

The building materials supply, building and civil construction sectors have an important role to play in the provision of adequate housing. However in 1994 a number of constraints were identified:

- A lack of identified land,
- poor access to bulk infrastructure network,

- lack of productive capacity in the construction sector as a result of the turmoil in the late 1980's and early 1990's,
- disparate geographic distribution of construction capacity.

3.5.8 Sociological Consequences of Apartheid Housing Policy

High levels of instability in informal settlements emerged from the unrest of the 1980's which have a major curtailing effect on housing development. The tradition of resistance to the payment for services, lack of housing industry structure, poor consumer education, confusion resulting from the transition to democracy and a breakdown of law and order in certain areas all contribute to poor housing provision.

Other important sociological factors which were a result of Apartheid housing policy:

- Circular migration and dual households,
- hostel accommodation,
- single, often female-headed households,
- cultural and legal barriers to access for women to housing,
- traditional tenure systems.

3.5.9 Economic Consequences of Apartheid Housing Policy

- A low rate of growth;
- declining per capita income;
- highly unequal distribution of income which penalises low-income groups;
- mass unemployment;
- low levels of gross domestic investment and fixed capital formation;
- declining personal domestic savings;

- high consumption: savings ratio among low-income groups;
- high level of government dissaving;
- persistent inflation;
- persistent balance of payments constraints;
- lack of personal and State affordability.

3.6 Summary

Housing policy between 1948 and 1994 was characterised by the following:

- Central State control of housing policy and planning,
- Government policy directed at control of non-white urban influx,
- The creation and entrenchment of the homelands system whereby such homelands became semi-autonomous in the provision of their own housing.
- Group Areas legislation which resulted in the forced removal of thousands in urban areas,
- Mass urbanisation with the advent of industrialisation without proper urban planning,
- Limited to no new urban planning for non-whites outside the homelands areas,
- Provision of housing for existing non-white urban dwellers on the peripherals of the cities, usually far from places of work and social and economic amenities,
- Urban planning and city design based on race.

3.7 Conclusion

The National Party ideology dominated the implementation of housing policy. The goal of the Government was to house all blacks into homelands with full autonomy. Those black South Africans who worked in South Africa “proper” would be considered alien and such, the provision of adequate housing would not be the responsibility of the South African government, but that of the government of that particular homeland. However, this goal was not achieved, because only approximately 55% of South Africa's population lived in the Bantustans; the remainder lived in South Africa proper, many in townships, shanty-towns and slums on the outskirts of major urban centers. In order to control the existing non-white urban population, the government provided housing on the outskirts of cities in the designated “Group Areas”.

3.8 Hypothesis test

3.8.1 Problem

What were the challenges in the provision of housing in South Africa in the Apartheid period from 1948 to 1994, how did this period contribute to the current housing problem and were any of the policies successful in solving the problem at the time?

3.8.2 Hypothesis

Prejudicial policies of the Apartheid government further exacerbated the housing problem for the non-white majority, in particular the introduction of the Group Areas Act. Attempts were made by the government to curtail urbanisation and provide housing to non-whites in the “group areas”, with limited success. Informal settlements developed, with shacks becoming the norm in traditional non-white areas.

3.8.3 Hypothesis Test

Based upon the aforementioned study it is clear that Apartheid policy fell well short of its goals of separate development along racial lines. Urbanisation continued unabated despite government attempts at curtailment. The housing problem in urban as well as rural areas was indeed made worse by the housing policies of the Apartheid government.

CHAPTER 4: What were the challenges with regard to housing provision in South Africa during democracy from 1994 to 2004 what policies were employed to solve the problem and were any of the polices employed successfully?

4.1 Introduction

The previous two chapters identified the origins of the housing problem in South Africa. In the discovery of such origins, it has become clear that the problem is not isolated to housing alone. The complexity of the problem extends beyond the mere provision of a residential dwelling. Urban planning, quality, location, access to socio-economic amenities, uneven delivery and the provision of services have revealed themselves as areas that need to be addressed when attempting to solve the problem of housing provision.

The new housing policy in South Africa was the outcome of a process of negotiation within the National Housing Forum from 1992 to 1994. Shortly after the first democratic elections in 1994, the housing policy negotiations culminated in an Housing Summit and a Record of Understanding. The fundamental doctrines of the housing policy were agreed upon by the dominant stakeholders and the housing debate was closed. The preamble to the Housing White Paper of 1994 makes this clear: *'The time for policy debate is now past - the time for delivery has arrived.'* Subsequent discussion has revolved largely around obstructions in the implementation of the policy. Occasionally, there have been calls to re-open the debate on the foundations of the policy. A particular concern was that the closure of debate would 'shut out those social forces' which had fundamental objections to the Housing White Paper methodology. Government's stance was that debate on housing policy at the time would impede delivery. (Thurman:2001)

This chapter will explore the main post-apartheid urban policies with specific emphasis on the primary urban policy instruments adopted between 1994 and 2004.

4.2 A Synopsis of Post-Apartheid Policy

The components of urban policy in South Africa between 1994 and 2004 was to re-demarcate municipalities to create integrated and democratic local government, restructuring of the local government system and the development of a municipal finance system to fund service delivery. Other policies include integrated development planning and the mass delivery of free housing and services within municipalities. The policies were aimed at enabling local governments to undertake planning and implementation of delivery of services and housing. The commitments as outlined in the Reconstruction and Development Programme (RDP) were the focus of government's urban policy. The National Housing Forum estimated that the housing backlog was between 1.5 and 2 million units in 1994. Therefore the primary policy drivers during the period in question were the satisfaction of immediate housing need in large quantities. (Pillay:2008).

The primary characteristic of human settlements policy in the period following the 1994 transition was a move from structural segregation and discrimination to a liberal market oriented policy. Bond (2000) describes this change in policy simply as "class apartheid". The resultant market focus resulted in a continuation of a range of specific problems inherited from apartheid urban policy. These problems became more acute in the late 1990's and early 2000's. (Daly, 1996; Daly and Cobb, 1994; Foster, 2002; Harvey, 1973, 1996; Swilling, 1990).

The neo-liberal character of post-apartheid urban policy continued into the new millennium. A new “Urban Regeneration Strategy” was proposed by the office of President Thabo Mbeki in 2000. The policy fell short of expectations as investment was focused on distinctive projects in a number of underdeveloped nodes. (Harvey:2001)

Racial desegregation of middle and upper class neighbourhoods occurred relatively smoothly between 1994 and 2004. However, the balance of urban areas showed aspects of more severe inequality and uneven development. The level of inequality and underdevelopment has become more severe than under apartheid in most urban areas. (Bond:2002)

Various government departments recognised that the post-apartheid urban policy implemented in 1994 was failing. This recognition was evident in the criticisms levelled by government departments against its own policies. The departments recognised the following shortcomings in the policy:

- Size, quality and location of urban housing;
- Segregation in the provision of urban infrastructure;
- Public health problems associated with worsening urban poverty, especially HIV/AIDS;
- Access to water, electricity and municipal services;
- Household affordability constraints.

Further criticism of government policy was the application of GEAR (Growth, Employment and Redistribution) as a macroeconomic policy. The policy had indeed generated macroeconomic stability and some growth since 1994; however, the policy was unable to generate substantial microeconomic, developmental and employment stimulus.

Added to the constraints placed on housing provision was the evolution of the global economy, where South Africa, post 1994 had become more sensitive to economic developments in other countries, most notably the Asian crisis in the early 2000's and more recently the financial crisis in 2008. (Beall, Crankshaw and Parnell, 2002; Hendler, 1987; Lupton, 1992; Mabin, 1989; McCarthy, 1987; McCarthy and Smit, 1987; Robinson, 1996).

4.3 The Housing White Paper

The *Housing White Paper* (HWP) was approved by government in December 1994. The spirit of the policy document is summarised as follows:

*“Housing the Nation...
...is one of the greatest challenges facing the Government of National Unity. The extent of the challenge derives not only from the enormous size of the housing backlog and the desperation and impatience of the homeless, but stems also from the extremely complicated bureaucratic, administrative, financial and institutional framework inherited from the previous government”*

4.3.1 Market Orientation

The primary pre-condition for attracting private sector investment was that the market must be stable and normalised. The market oriented approach to policy was founded on the principle that credit would finance the bulk for the delivery. Seven key approaches are identified in HWP to ensure adequate housing delivery:

- *“stabilizing the housing environment in order to ensure maximal benefit of State housing expenditure and mobilising private sector investment;*

- *facilitating the establishment or directly establishing a range of institutional, technical and logistical housing support mechanisms to enable communities to, on a continuous basis, improve their housing circumstances;*
- *mobilising private savings (whether by individuals or collectively) and housing credit at scale, on a sustainable basis and simultaneously ensuring adequate protection for consumers;*
- *providing subsidy assistance to disadvantaged individuals to assist them to gain access to housing;*
- *rationalising institutional capacities in the housing sector within a sustainable long term institutional framework;*
- *facilitating the speedy release and servicing of land;*
- *coordinating and integrating public sector investment and intervention on a multi-functional basis” (Housing White Paper:1994)*

According to Tait (1997) and Bond (2000) the market-centred approach to low-income housing gave rise to the following unfortunate consequences:

- Inequitable allocation of funding between different low income groups,
- lower income groups with a relatively higher income would be favoured by private sector developers, as they would have a greater capacity to access credit than relatively lower income earners,
- the development of a housing finance void between those earning R3 500 per month and those earning R 6 000 per month. Financial institutions in 2002 would not risk lending to households earning below R6 000 per month and those earning more than R 3 500/month did not qualify for government assisted housing,
- a low rate of delivery compared to what was feasible, witnessed by the growth in the housing backlog, and the fact that of an estimated million subsidies granted between 1994 and 1999, only 60% had actually been taken up, and of these only 16% had received credit due to bank reluctance to lend (the latter figure fell to less than 5% by 2002),

- the loss of capacity in the construction sector in the early and mid-1990's resulted in a loss of 100 000 formal sector jobs. The loss in capacity was as a result of an economic downturn and lack of a state driven counter cyclical boost,
- the evolution of conflict as a result of a misunderstanding between the developers objectives and planning and the expectations of the community in question,
- a reluctance on the part of the private sector developers to be involved in conflict ridden areas where the need for housing was often the greatest,
- abuse of the scheme by local authorities and developers, in part through fairly widespread corruption, leading to a reduction in the buying power of the subsidy by 50% in some cases,
- a lack of success by the National Housing Finance Corporation in reducing interest rates or increasing access to credit for low-income household,

The HWP (1994) defined the housing backlog at the time as urban informal units not located on titled land. This backlog was estimated at 1.5 million units in 1994.

4.3.2 Housing in Rural Areas

The HWP (1994) does not adequately address the problem of housing in rural areas. The policy is admittedly an urban focused approach with developments being targeted in and adjacent to local authorities. The resultant lack of focus on rural development has increased the tendency for unplanned urbanisation. The Rural Development Framework of 1997 sought to address the underdevelopment of rural areas, however the policy document admits that the provision of adequate housing in rural areas was neglected in the HWP (1994):

“However, government support to housing development tends to receive lower priority in rural areas. Rural households are often poorly organised to obtain their place in the queue for subsidies. Legally acceptable evidence of land tenure has also been a problem for applicants on communal land. This problem is in the process of being resolved.”

According to Bond (2000), the government tendency of avoiding giving subsidies in outlying areas and former homelands, resulted in housing delivery on a large scale in rural areas being neglected.

4.3.3 Housing Product

According to Thurman & Khan (2001), the concept of 'progressive realisation' of housing, as defined in the Housing White Paper, has not sat happily with the original pledge to deliver a defined product (i.e. a dignified house with 'reasonable living space and privacy') at the rate of 1 million houses in five years. With decreases in the size of the housing budget as both a percentage of national budget (from 3.4% in 1995/96 to 1.6% in 1999/2000) and in real terms (the housing budget for 1998/1999 was 24% lower than the 1997/1998 budget and there was a 9.6% decrease for the year 1998/99 to 1999/2000) plus government's commitment to width rather than depth, it has become increasingly difficult for authorities and developers to deliver an acceptable product.

According to Thurman & Khan (2001), beneficiaries have expressed disappointment with what has been delivered (a typical 25m² unit with no partitions) and local politicians have also been vocal in demanding the delivery of larger houses. The National Department of Housing has responded in two ways. Firstly, through an amendment to the Housing Act, requiring state subsidised houses to be constructed to a minimum of 30m².

Secondly, it begun to talk of 'housing opportunities' rather than houses, thus diverting attention from the housing product. In practical terms, however, the discordance between expectation and delivery continues. An issue related to the above is the disjuncture between mass production versus a quality product. The focus on 'numbers' has meant that most subsidies were allocated to large developers, who have the capacity to deliver standardised products at high quantities. The more time-consuming, process-oriented, and smaller scale delivery approaches (community and NGO-driven), have tended to be side-lined in favour of large-scale delivery. A recent comment by the Chair of a Provincial Housing Board articulated the dilemma 'How we can we keep our subsidies aside for NGOs? They never deliver. It took 3 years for one project'. While many policy statements have stressed the importance of improved quality, the Director General called for 'accelerated delivery' in the new millennium.

4.4 The Local Government White Paper

According to Bond (2000), the *Local Government White Paper* (LGWP) and supporting legislation was adopted in March 1998. The idea of municipal democracy through social struggle is ignored. The aim of the LGWP was to depoliticise urban problems and only considers material challenges which need intervention in terms of the policy. The following material or technical challenges are identified by the policy:

- Skewed settlement patterns,
- Extreme concentrations of taxable economic resources,
- Infrastructure backlogs
- Spatial segregations,
- Urban sprawl,
- Inability to mobilise the private sector in development,

- Capacity constraints,
- Poor relationships between municipalities and communities.

The LGWP acknowledged that income differences and geographical segregation of new settlements in post-apartheid South Africa threaten to create a neo-apartheid urban form. The uneven delivery of services to these spatially separate settlements would defeat the purpose of the new policy of integration of different income groups.

According to Bond (2000) the LGWP's main short coming is that the policy only allows for low levels of service delivery to far flung communities with no possibility of further upgrading of the implemented infrastructure. Therefore relegating poor communities to remote locations and upwardly mobile residents of such communities would have to move to areas where more a desirable infrastructure was in place. An example of the lack of scope for upward mobility can be found in the *Municipal Infrastructure Investment Framework (MIIF)*. The MIIF provides for a minimum provision of a ventilated pit latrine (VIP) to a specified number of residences in an underdeveloped community, the policy making no provision for the upgrading of the system to a water-borne sanitation system.

The aforementioned policy addressed the short comings of the apartheid urban policies and not the problems relating service delivery and desegregation.

4.5 The Urban Development Strategy

According to Bond (2000) the October 1995 *Urban Development Strategy (UDS)* was the most comprehensive statement of how post-apartheid cities and towns would develop. A subsequent *Urban Development Framework (1997)* merely codified and softened the *UDS*.

The *UDS* is a more accurate reflection of the existing neoliberal policies, particularly with regard to state financial capacity; the respective roles of the market, the state, and civil society; de-concentration policies; the quality and cost of housing and related services; and reform of urban finance and transport. There were also omissions, of which the neglect of women, youth, and disabled people stands out.

According to the *UDS*, "Relative to the needs, the level of resources available from the Government is not sufficient to provide the necessary basic infrastructure in municipal areas". The *RDP* was rather more ambitious: "With a per capita gross national product (GNP) of more than R8 500 South Africa is classified as an upper middle income country. Given its resources, South Africa can afford to feed, house, educate and provide health care for all its citizens". Even though the issue of directing social resources into urban development is highly contentious, the *UDS* made no attempt to prove its point (there is no reference to fiscal reorganisation, tax levels, private sector financing leverage, or other aspects of redistribution) or contribute to debate on this critical issue.

4.6 Summary

The fall of apartheid brought about various policy directives aimed at addressing the immediate needs of an impatient population. The primary focus of the housing policies between 1994 and 2004 was an urban focused, fast-tracked delivery mechanism that took little cognisance of needs of individual communities. Spatial segregation lingered, with rural housing delivery being neglected. The government delivered houses of a low quality on mass to communities still living far from socio-economic amenities.

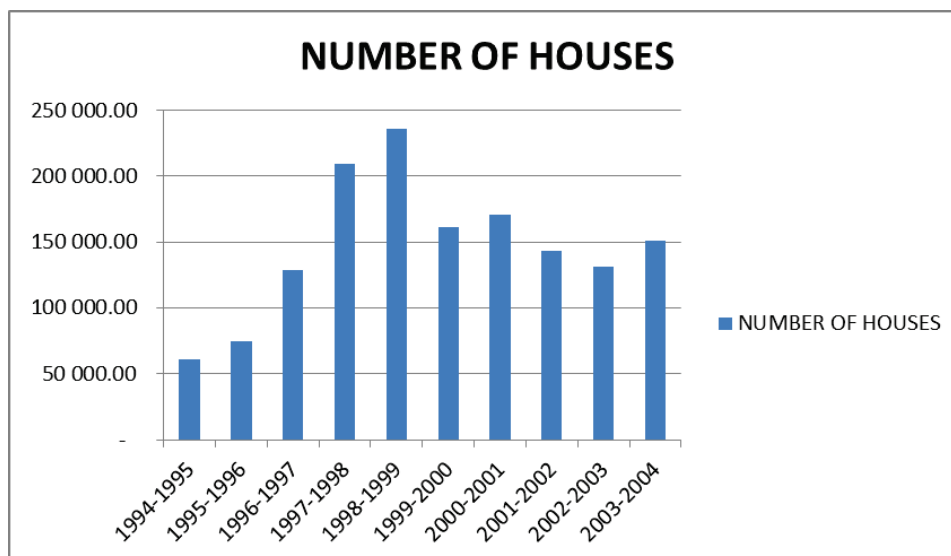
4.7 Conclusion

On the 14th of October 2010 Dr Mulder of the Freedom Front Plus asked the Minister of Human Settlements in the National Assembly to indicate the number of government subsidised houses had been built between 1994 and 2010. The Minister's response is indicated in Table 1, for the purposes of this chapter, only houses built between 1994 and 2004 are indicated in Table 1.

Table 1 - Houses Built Between 1994 and 2004 (Statistics South Africa:2006)

Year	Number
1994-1995	60 820.00
1995-1996	74 409.00
1996-1997	129 193.00
1997-1998	209 000.00
1998-1999	235 635.00
1999-2000	161 572.00
2000-2001	170 932.00
2001-2002	143 281.00
2002-2003	131 784.00
2003-2004	150 773.00
TOTAL	1 467 399.00

Figure 3 - Graphical Comparison of houses built between 1994 and 2004 (Statistics South Africa:2006)



It is clear that government has for all intents and purposes realised its goal of constructing 1.5 million houses. However, the problems of segregation of income groups, provision of municipal services, densification, rural development, finance gap, etc. still remained.

4.8 Hypothesis Test

4.8.1 Problem

What were the challenges with regard to housing provision in South Africa during democracy from 1994 to 2004 what policies were employed to solve the problem and were any of the policies employed successfully?

4.8.2 Hypothesis

Government introduced a policy of providing free RDP houses to lower income groups. The free house policy did not solve the problem of housing in urban areas as the need for densification was not met. During this period the need for housing assistance to middle income groups was not addressed together with the need for integration of different income groups. The group areas problem inherited from the previous government still remained a challenge. The housing problem was only partially solved during this time with policy emphasis, capacity and funding curtailing delivery of adequate housing.

4.8.3 Hypothesis Test

Based upon the aforementioned discussion, the government did deliver houses in large quantities, but failed to address the problem of segregation of income groups, assistance for lower-middle income groups, densification

in urban areas, rural development, etc. The Hypothesis in this case holds water

CHAPTER 5: What are the current challenges with regard to housing provision in South Africa during democracy from 2004 to the present and how is the problem being solved and are the current policies being employed successfully?

5.1 Introduction

The earlier policy approaches to housing put emphasis on numbers of housing units delivered. South African RDP housing delivery began after the 1994 elections with a narrowly focussed commitment to increasing the quantity of housing stock available to the poor as quickly as possible. As the provision of adequate housing gap widened, the *Breaking New Ground* policy (BNG) document introduced in August 2004, introduced new options for delivery, allowing for a range of delivery modes and housing/subsidy configurations, including emphasis on the rental market and significant variation in local approaches. (Barry, Dewar, Whittal & Muzondo, 2007; Ndaba 2008).

Since the introduction of the new policy, a number of new and revised supporting documents have been published by the Department of Human Settlements; the most important of these which require mentioning included a revision of the Housing Code of 2000 to the Housing Code of 2009, the Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for the Human Settlements Sector. A detailed analysis of these documents falls outside the scope of this treatise, however various policies contained in the Housing Code of 2009 will be discussed further in this chapter.

This chapter will explore the new housing policy with specific emphasis on the following aspects and programmes:

- Current housing demand and supply that led to a policy change;
- An overview of the Breaking New Ground housing policy;
- Integrated residential development programme (IRDP);
- Upgrading of informal settlements programme (UISP);
- Social housing programme;
- Institutional housing subsidy programme;
- Community residential units (CRU) programme;
- Inclusionary Housing.

5.2 Housing policy Context

At this juncture, it might be prudent to relook at the housing policy since 1994 and place the various changes to housing policy since democracy into context.

According to the Housing Code (2009), the South African Constitution of 1996 protects the right of every citizen to have access to adequate housing and makes it obligatory upon the State to take genuine statutory and other measures within its available resources to realise the progressive achievement of this right. In response to this Constitutional imperative, the State in terms of the Housing Act, 1997 (Act No 107 of 1997) introduced a variety of programmes which provide poor households access to adequate housing. The policy principles set out in the White Paper on Housing aim to provide poor households with houses as well as basic services such as potable water, sanitation and storm water, etc.

According to the Housing Code (2009), ten years after the introduction of the housing programme in 1994, a comprehensive review was undertaken of the consequences of the programme and changes in the socio-economic situation in the country. This led to the approval of the Comprehensive Plan for Sustainable Human Settlement commonly referred to as “Breaking New Ground”, by Cabinet in September 2004. While retaining the basic principles of the Housing White Paper, the Comprehensive Plan shifts the focus from purely quantitative goals to improving the quality of housing and housing environments by integrating communities and settlements. It also sets new minimum standards for housing products improving privacy and sustainability by providing for the development of a range of social and economic amenities within housing developments. The Ten Comprehensive Plan also focuses on Informal Settlement Upgrading to meet the Millennium Goals of the United Nations to improve the lives of shantytown dwellers. In order to support the implementation of the Comprehensive Plan, housing departments in all spheres of state, as well as Housing Support Institutions have been extensively restructured.

Likewise, the National Housing Code 2000 has been substantially revised. The National Housing Code, 2009 aimed at simplifying the implementation of housing developments by being less prescriptive while providing clear recommendations. The rest of this document contains a broad overview of the programmes in the National Housing Code. (National Housing Code:2009)

5.3 Housing Supply and Demand in 2004

An assessment of housing supply and demand needs to be undertaken in order to understand the need for a shift in policy emphasis.

5.3.1 Demand

According to the Breaking New Ground policy document, 2004, the average population growth of South Africa between 1996 and 2001 was 2.1% per annum. The estimated population at 2004 was 47.5 million people, an increase of 4.2 million. In addition to the growth in population, the number of households in South Africa increased by 30%, which was 20 percentage points more than expected. The increase in the number of households is attributed to the decrease in the average size of households from 4.5 people in 1996 to 3.8 people in 2001. Urbanisation and natural population growth resulted in an increase in urban populations. The expected average urban population growth is 2.7% per annum. Growth of populations tends to be significantly higher in certain regions. Gauteng as an example has experienced population growth of twice the national average.

Despite scale delivery, the changing nature of demand and the pace of urbanisation have meant that the size of the backlog has increased. Current figures indicate that there are over 1.8 million dwellings which can be classified as inadequate housing. The number of households living in shacks in informal settlements increased from 1.45 million in 1996 to 1.84 million in 2001, an increase of 26%, which is far greater than the 11% increase in population over the same period. Delivery at scale, in high, medium and low cost housing, has also not created a functionally balanced residential property market. The repeal of the Group Areas Act created an increased demand in historically well-serviced and located neighbourhoods fuelling demand and increasing prices. However, investment in large parts of the middle to lower end of the property market i.e. historically working class neighbourhoods has declined. The consequent uneven investment in housing has skewed the growth of the residential property market, whereas continued stagnation frustrated property value appreciation in disregarded areas.

This has been aggravated by the practice of “red lining” by financial institutions barring housing investment and sales in inner city areas and traditional black townships. (Breaking New Ground Housing Policy, 2004)

5.3.2 Supply

According to the Breaking New Ground Housing Policy, 2004, state investment in housing totalled approximately R 29.5 Billion in 2001. This resulted in 1.6 million housing provisions. 500 000 Families were given the opportunity to obtain secure title of old public housing stock.

The housing developments took place in existing townships on the peripheral of urban centres as there was a shortage of affordable well located land for low cost housing. This resulted in failure to integrate communities and left poor households in apartheid style urban areas.

National policy and provincial allocations have not always been able to respond to the changing nature of demand deriving from urbanisation pressures. Those who are experiencing the greatest demographic and social pressures are not spending their resources, or are not correctly structuring their resources, or are not being allocated sufficient resources, to address the demand. The 1.6 million subsidy-houses that have been built have not become “valuable assets” in the hands of the poor. In addition to this the inability of recipients of subsidy-housing to pay for municipal services and taxes has meant that such housing projects have been viewed as burdens to municipalities and have not assisted many of the country’s major cities struggling to come to grips with rapid changes to economic conditions since South Africa’s inclusion into the global economy. Housing subsidy grants increased from R2,69 Billion in 1996/97 to R4,50 Billion in 2004/2005 and will increase to R5,00 Billion in 2006/07.

These increases in housing development funding have largely gone towards funding the increases in the quantity of the housing subsidy. (Breaking New Ground Housing Policy, 2004)

5.3.3 Delivery

The following aspects may be identified as the reason for slow delivery of low cost housing that lead to a policy shift.

In short, the supply of low cost housing stock was not able to keep pace with the growing demand caused by population growth and urbanisation.

Since the 2000/01 financial year there has been a decline in the number of houses provided annually. The decline may be attributed to the withdrawal of large construction firms from the low cost (state assisted) housing sectors as a result of lower profit margins. The resultant insufficient delivery capacity in construction, project management, financial management and administration was not adequately filled by the emerging contracting sector because of limited technical and administrative expertise. Insufficient access to bridging finance added to the gaps in capacity. In addition, the identification, acquisition, assembly and release of state-owned and private land for housing development have not kept pace with demand. (Breaking New Ground Housing Policy, 2004)

5.4 Overview of Breaking New Ground Housing Policy

According to the Breaking New Ground Housing Policy, 2004, apart from the new BNG policy introduced in 2004, since 1994 a range of new national policies, programmes and initiatives have been introduced including the National Spatial Development Perspective, the draft Urban Strategy, the Urban Renewal Programme and the Integrated Sustainable Rural

Development Strategy; the Strategic Development Initiatives (SDIs) and the Expanded Public Works Programme. Provincial development frameworks have been established and Municipal Integrated Development Plans (IDPs).

The BNG policy sets out to achieve the following objectives:

- Accelerating the delivery of housing as a key strategy for poverty alleviation;
- Utilising provision of housing as a major job creation strategy;
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment;
- Leveraging growth in the economy;
- Combating crime, promoting social cohesion and improving quality of life for the poor;
- Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump;
- Utilising housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring.

The instruments employed by the state to achieve the aforementioned objectives are clearly spelt out in the policy document. The following subsection will explore these instruments as per the Breaking New Ground Housing Policy, 2004.

5.4.1 Supporting the entire residential property market

Expanding the scope of the housing mandate

The policy seeks to expand the mandate of the Department of Human Settlements to include the entire residential property market.

The subsidies as were in place prior to 2004 only sought to assist households with an income of less than R3 500 per month. The reasoning behind this was the assumption that income groups earning above R3 500 per month would be able to obtain housing finance from financial institutions. However, the reality is that this did not occur due to financial institutions viewing these households as overtly risky and therefore requiring substantial down payments for loans. This situation resulted in disparities between the subsidised and the unsubsidised which negatively affected the operation of the residential market. The policy sought to remedy this by the introduction a new subsidy mechanism whereby the down-payment barrier would be overcome for medium income households earning between R3 500 and R7 000 per month in 2004.

Shifting from product uniformity to demand responsiveness

The primary policy focus post 1994 resulted in a housing product which was characterised by a single dwelling unit on a single plot, far from city centres with weak socio-economic amenities. The new policy seeks to move the provision of adequate housing from a uniform response to all demand parameters to a more non-uniform provision model. The main premise is to enhance the mobility of households and address housing demand by taking into account the multidimensional needs of sustainable human settlements.

Enhancing the role of the private sector

The new policy envisages a more enhanced involvement of the private sector in the provision of adequate housing. The formation of public private partnerships (PPP's) is identified as a key collaboration to improve housing provision.

The following strategic areas where private sector involvement is required:

- Increased construction capacity;
- Provision of housing finance;
- Provision of project management and other support;
- Employer assisted housing.

Creating linkages between the primary and secondary residential property markets

The acquisition of a housing product is the most significant investment most households will make. Currently, the secondary property market is dysfunctional at the lower end of the market. A dysfunctional secondary market undermines the realizable value on properties and consequently the value underpinning security for mortgage loans. Mechanisms must accordingly be introduced to support the development of a functioning residential property market and to enhance the linkages between the primary and secondary residential property market. The new policy consequently introduced the following interventions:

- Supporting individual housing demand, which empowers individuals to purchase housing products on an individual basis;
- Removing barriers to housing trade and increasing household mobility by reducing the prohibition of the trade in subsidised housing from ten years to eight years;
- Focusing on the local level by allowing municipalities to take the lead in housing provision;
- Enhancing access to title by transferring the title of the property to the households in question.

5.4.2 From housing to sustainable human settlements

According to the Breaking New Ground Housing Policy, 2004, one of the primary mechanisms to alleviate poverty is the provision of housing which alleviated what is termed as asset poverty. Sustainable human settlements are further more defined as follows:

“well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity”.

The policy moves away from the mere provision of a single housing unit, but to a more holistic and broader vision whereby more sustainable and efficient cities, towns and regions are created.

The following instruments were proposed in order to achieve the vision of sustainable human settlements as per the Breaking New Ground Housing Policy, 2004.

Progressive informal settlement eradication

The idea is to integrate informal settlements into the broader urban fabric, thereby eradicating social, spatial and economic exclusion. The intervention involves an in-situ approach whereby existing informal settlements are upgraded.

Promoting densification and integration

According to the Breaking New Ground Housing Policy, 2004, integration and restructuring are public interventions in the way in which towns and cities are built and the processes by which wealth is created and circulated.

The key objective is to incorporate previously excluded groups into the city and the benefits it offers, and to ensure the development of more integrated, functional and environmentally sustainable human settlements, towns and cities. Appropriate policy instruments and adjustments to promote densification in urban areas are essential. The National Department of Housing, in conjunction with the Department of Provincial and Local Government, will develop suitable policy instruments and modifications to promote densification. This will question aspects of promoting densification, including planning guidelines, property taxation, zoning, subdivision, and land swaps and amalgamation. The Department envisaged the introduction of mechanisms such as residential development permits. These permits are used extensively in the international setting and facilitate income integration by obliging developers either to set aside units within residential developments for lower-income groups or, alternatively developing lower-income residential housing in adjacent areas. In this instance it was proposed that 20% of all residential development would constitute low cost to affordable housing and would be prescribed through the permit. This can be achieved on a site in an alternative location initially to overcome negative perception about property value depreciation. It was envisaged that once the programme had been successfully implemented those perceptions would change and on site development could be achieved in the medium-term. In all instances, adequate provision is to be made for the construction of social infrastructure in support of residential development. The Department, in conjunction with Treasury and SARS, will develop fiscal incentives to promote the densification of targeted human settlements and whilst introducing impediments to slums.

Enhancing Spatial Planning

The policy suggests an overarching planning authority instead of the fractured planning done by the Department of Housing and other spheres of government such as municipalities.

Enhancing the location of new housing projects

The greatest criticism of housing policy prior to 2004 was that the spatial settlement patterns of apartheid were being reinforced.

The objective of the revised policy is to intervene in a more meaningful way in the location of new housing developments in the following ways:

- Accessing well-located state-owned land;
- Acquisition of well-located private land for housing development;
- Funding for land acquisition through a separate funding mechanism;
- Fiscal incentives through engagement with SARS and Treasury.

Supporting Urban Renewal and Inner City Regeneration

The renewal of inner cities has become an important objective of municipalities. Private property developers have been involved extensively in the development of housing units in the inner cities. However, these units predominantly fall outside the affordability constraints of lower income residents. The policy seeks to avoid this situation by promoting social medium density housing and increasing demand for medium income housing through fiscal incentives.

Developing social and economic infrastructure

The policy envisaged a move away from the scale provision of a simple housing unit to the provision of housing units together with the provision of social and economic amenities to those communities.

Enhancing the Housing Product

According to the Breaking New Ground Housing Policy, 2004, there is a need to develop more suitable housing designs and housing products and to ensure appropriate housing quality in both the urban and rural settings. The new human settlements proposal suggests the following:

Improving settlement design through the introduction of augmenting measures and incentives to include design professionals at planning and project design stages, and will develop design strategies for designers and regulators to achieve sustainable and environmentally capable settlements. This is aimed at promoting the development of a dignified size of house that supports morality of society.

Enhancing housing design within the rural context, there is a need to make housing mediations more effective, to enhance the traditional technologies and indigenous knowledge which are used to construct housing in rural areas and to improve shelter, services and tenure where these are urgencies for the people living there. Within the urban context, there is a need to focus on “changing the face” of the stereotypical “RDP” houses through advancement of alternative technology and design.

Addressing housing quality by undertaking an audit of and develop a programme to address the poor quality of houses built before the introduction of national norms and standards and the NHBRC Warranty Scheme.

5.5 Have the goals of the Breaking New Ground Policy been achieved?

The BNG housing policy clearly gives greater emphasis on the process of housing delivery (emphasising planning and engagement), the quality of the housing product (both in terms of location but also in terms of final housing

form) and the long-term sustainability of the housing environment (leading to a focus on institutional capacity) (Ndlovu, 2007: 2).

Following the launch of the policy, a number of newspapers carried sensational articles about the prospect of low cost housing in elite suburbs. Some researchers concluded that there was insufficient political will to seriously address the need to increase the density of cities and to ensure that poor people could access well-located housing.

According to Huchzermeyer (2004: 9), while a policy shift is occurring in 2004, there may not be mainstream political interest in, nor bureaucratic support for, such progressive innovation.

According to Huchzermeyer (2004), the evidence as can be viewed today has shown that the majority of the objectives as set out in the BNG policy have not as yet been achieved.

5.6 Integrated Residential Development Programme (IRDP)

5.6.1 Programme overview

The Breaking New Ground policy as adopted in 2004 embodies a shift in focus from the delivery of housing product at scale to addressing human settlement inefficiencies through the development of integrated, compact and a wider range of settlement forms. (Department of Human Settlements:2004)

The IRDP provides for the development of integrated projects which would provide for the social and economic needs of different income categories. The programme provides for subsidised and financed housing in the integrated project.

The development will include subsidised, financed, social and rental housing, together with commercial, institutional and other land uses in a single integrated development. (Department of Human Settlements:2004)

Projects can be planned and developed in two phases. The first phase encompassing planning, land acquisition, township establishment and providing serviced residential stands in a variety of price types as well as stands for other land uses to ensure a complete and sustainable community. In the second phase houses are constructed for eligible housing beneficiaries and the sale of stands to non-qualifying beneficiaries and to commercial interests etc. is started. (Department of Human Settlements:2004)

5.6.2 Project phases

Projects can be planned and developed in two phases. The first phase encompassing planning, land acquisition, township establishment and providing serviced residential stands in a variety of price categories as well as stands for other land uses to ensure a holistic and sustainable community. In the second phase houses are constructed for qualifying housing beneficiaries and the sale of stands to non-qualifying beneficiaries and to commercial interests etc. is undertaken. (Department of Human Settlements:2004)

In summary the phased approach to integrated projects:

Phase 1:

- a) Land acquisition where required;
- b) Township planning and municipal engineering services design;
- c) The provision of municipal engineering services to all the stands where no alternative funds are available; township establishment has taken place.

d) Township establishment.

Phase 2:

e) The sale of the stands not identified for subsidised housing created in the township; and

f) The construction of houses by registered contractors for housing subsidy beneficiaries who choose contractor built houses. This can be achieved through a variety of contracting options. Where the need has been identified for the construction of rental housing on the stands created through the IRDP and or where beneficiaries elect to construct their own houses through the People's Housing Process, the rules applicable to those specific programmes will apply to projects to be undertaken in the township. (Department of Human Settlements:2004)

5.7 Upgrading of Informal Settlements Programme (UISP)

Informal Settlements are common to most developing countries which experience the development of quick urbanisation and have limited resources to address the housing needs of all its citizens and specifically the poor. (Department of Human Settlements:2004)

The intent of the Informal Settlement Upgrading Programme is to upgrade the living conditions of people living in informal settlements by providing secure tenure and access to basic services and housing. (Department of Human Settlements:2004)

Experience has revealed that access to basic services, secure tenure and a housing product offers a catalyst for households to advance their socio-economic conditions. (Department of Human Settlements:2004)

To ensure that delicate community networks are not compromised and to empower communities to take charge of their own settlements, one of the basic doctrines of the programme is that the communities concerned must be involved throughout the project life cycle. The Programme's primary goals are to bring about social cohesion, stability and security in integrated developments and to create jobs. (Department of Human Settlements:2004)

The Programme is directed at the *in situ* upgrading of informal settlements. In situations where the terrain is not suitable for human settlement (due to flooding, shallow undermining conditions etc.), residents may be relocated and settled in more suitable areas. The Programme only finances the creation of serviced stands; beneficiaries may then apply for housing construction assistance through the other National Housing Programmes (e.g. Individual subsidies, Enhanced People's Housing Process, Social Housing, etc.). The Programme may be taken on in three phases, concentrating on community involvement, planning, emergency services, and basic services and housing construction as part of a final phase. Social and economic amenities to improve the sustainability of the upgraded settlement may also be provided for through the Programme which provides funding for such amenities. (Department of Human Settlements:2004)

5.8 Social Housing Programme

Security of tenure remains one of the important doctrines of current housing policy. Where other programmes deliver freehold tenure to households, there has been a growing necessity for inexpensive rental units which provide secure tenure to households which favour the flexibility provided by rental housing. (Department of Human Settlements:2004)

The programme ascertains the need to address the inequities of the Apartheid spatial frameworks of cities and towns by promoting integration through income and population groups.

A need to provide underprivileged households with convenient access to employment opportunities and the full range of urban amenities forms part of the programme objectives. (Department of Human Settlements:2004)

The Social Housing Programme applies only to “restructuring zones” which are identified by municipalities as areas of economic prospect and where the urban renewal effects can best be accomplished. In addition the Programme aims at developing affordable rental housing in areas where bulk infrastructure (sanitation, water, transport) may be under-utilised. (Department of Human Settlements:2004)

5.9 Institutional Housing Subsidy Programme

Security of tenure is one of the important principles of the current housing policy. Where other programmes provide freehold tenure to households, there has been an increasing need for affordable rental units that provide secure tenure to households, which prefer the mobility provided by rental accommodation. Due to a variety of reasons the market has not provided satisfactory units in the lower end of the rental market. (Department of Human Settlements:2004)

The Social Housing Programme centres primarily on achieving urban integration and upgrading and is applicable only in declared restructuring zones, the need remains for a programme that will provide for affordable rental accommodation in other parts of settlements (e.g. as part of informal settlement upgrades where such settlements are not well located with regard to employment opportunities but where members of the community may require rental housing). (Department of Human Settlements:2004)

An Institutional Housing Subsidy Programme is introduced to provide capital grants to social housing institutions which construct and manage affordable rental units. The Programme also provides for the sale of units by the social housing institution after at least four years. (Department of Human Settlements:2004)

- According to the Department of Human Settlements (2004), housing institutions need to meet the following criteria to qualify:
- The institution must be a legal entity;
- The primary objective must be to develop and hold immovable property for residential occupation;
- The institution must be financially workable;
- Institutions must make a financial contribution in addition to the subsidy;
- It will be mandatory for the institution to own immovable property.

5.10 Community Residential Units (CRU) Programme

The need for affordable rental housing is observed by the large number of households who currently rent overcrowded and sub-standard but inexpensive accommodation in informal settlements. (Department of Human Settlements:2004)

Both the Social Housing and the Institutional Subsidy Programmes do not provide rental accommodation affordable to the very poor (and often informally employed) because of the high cost of multi-level units and the subsequent high rental charges. (Department of Human Settlements:2004)

There is a need for a programme that will support the upgrading of government owned communal rental accommodation (hostels).

Therefore, the Community Residential Units Programme (CRU) aims to simplify the provision of secure, stable rental tenure for lower income households.

The Programme provides a clear framework for dealing with the many different forms of existing public sector residential housing. (Department of Human Settlements:2004)

The Programme will be used for the development of sustainable public rental housing properties. The housing stock funded by the CRU Programme would remain in public ownership and cannot be sold or transferred to individual residents. Long-term capital or major maintenance funding can be accessed through the CRU

Programme. Funding of operating costs has to come from the rental income collected by the owner. (Department of Human Settlements:2004)

5.11 Housing to middle income households

The policies and programmes introduced by government from 2004 did not address the need to provide housing and secure tenure to households who do not qualify for government subsidy and who do not qualify for financial assistance from private commercial financial institutions. It was found that financial institutions perceive such middle income household as having a very high risk profile.

Speaking at the annual convention of the South African Property Owners Association (SAPOA) in Cape Town on 12 May 2012, the Minister of Human Settlements, Tokyo Sexwale emphasised the need to create public-private partnerships (PPP) to support governments plan to roll out 600 000 new housing units for middle income households.

The middle income earners as described by the Minister are those households that do not qualify for government assisted housing because their income is too high and at the same time are “shunned” by financial institutions who view such households as having a high risk profile.

According to the Minister middle income households form a significant proportion of key careers in the country, which include teachers, policemen, nurses and blue collar workers.

5.11.1 National Housing Finance Corporation (NHFC)

The National Housing Finance Corporation (NHFC) was formed in 1996 by the Department of Housing to offer housing finance to household earning between R1 500 and R15 000 per month. This income grouping is categorised by the ability to contribute towards its housing costs, but is not able to access funded housing finance.

In President Jacob Zuma’s State of the Nation address to the National Assembly on 9 February 2012, a guarantee fund of R1 billion would be established and managed by the NHFC. The purpose of the fund is to promote access to housing finance for households who earn between R3 500 and R 15 000 per month. The households in this income group would be able to access a subsidy of up to R83 000 to enable them to obtain housing finance from an accredited financial institution such as a commercial bank.

The comments by the Minister of Human Settlements and the introduction of the guarantee fund represent the first positive steps towards addressing the housing needs of middle income households who previously did not qualify for government assistance.

5.12 Summary

The previous policy focused on housing provision for underprivileged household on a large scale. The primary emphasis of the new policy was the expansion of the housing mandate of the Department of Human Settlements to encompass the entire residential market, providing for integrated and sustainable settlements, rental housing for the lower end of the housing market and the provision of socio-economic amenities. In addition, the government signalled its intent to assist middle income households who do not qualify for government assistance or have access to housing finance from a commercial financial institution.

5.13 Conclusion

The policies introduced since 1994 provide the most comprehensive solution to the problem of adequate housing provision. However, as Huchzermeyer (2004) has pointed out on a number of occasions, the policies, together with the various programmes that support them are precisely the comprehensive solution required to solve the housing problem. However, the political will to implement the policy successfully is still lacking.

5.14 Hypothesis Test

5.14.1 Problem

What are the current challenges with regard to housing provision in South Africa during democracy from 2004 to the present and how is the problem being solved and are the current policies being employed successful?

5.14.2 Hypothesis

In 2004 the government introduced the “Breaking New Ground” policy which has vastly improved the housing situation in South Africa. The policy makes use of instruments such as public-private partnership (PPP) in the provision of social housing, subsidised rental housing, inclusionary housing and a number of other instruments. However, the plight of middle income groups who do not qualify for government assistance or for financial assistance from commercial financial institutions has not been adequately addressed. Therefore the policies have not successfully solved the housing problem, because housing targets have not been met. People still to this day do not have access to adequate housing.

5.14.3 Hypothesis Test

Public Protector Adv Thuli Madonsela concluded the 2012 annual stakeholder consultative dialogue with a meeting attended by leaders and representatives of the opposition parties at Public Protector House of Friday, 7 August 2012. According to Adv Madonsela “In one province we found settlements without water, sanitation and electricity for up to eight years. Not very far away, there was a settlement with only toilets that had running water but no houses or occupants”

The Public Protector singled out the implementation of the People’s Housing Programme as having given rise to a lot of complaints regarding planning, procurement and allocation of human settlements. Many complaints related to allegations of houses being smaller than approved plans and structurally defective houses that need to be demolished

The policy intent as proposed by government is wholly adequate to solve the problem of housing provision and to create sustainable human settlements where communities are integrated and have access to socio-economic

amenities. However, since 1994 the political will to adequately implement the noblest of policies has been lacking. Poor town planning, corruption, poor quality housing product and the lack of services and amenities remain to this day stumbling blocks to the provision of adequate housing. Therefore it may be concluded that the housing problem remains unsolved.

CHAPTER 6: What are the housing policies being employed internationally and how successful are these policies in solving the housing problem?

6.1 Introduction

This chapter will explore how the application of social housing in the Netherlands has successfully solved the problem of adequate housing provision. The study will be limited to the Netherlands as a detailed study of housing policy internationally falls outside the scope of this treatise. The idea is to obtain some barometer of success to measure against the South African context. However, one must always keep in mind that the South African state of affairs is unique, and may require a unique solution.

6.2 Social housing in the Netherlands

According to Dolata (2008), social housing in the Netherlands serves the purpose of assisting residents, who due to their incomes are unable to secure adequate housing in the residential market. The definition of social housing in the Netherlands specifically refers to rental housing that is subsidised by the government. This is opposed to the United States definition which refers to social housing as housing units that cost no more than 30% of a household's income.

According to Whitehead (2007), nowhere else in Europe does social housing dominate the housing market as it does in the Netherlands. Over one third of all households rent a social-sector dwelling. There are 2.4 million social rented dwellings, a number that has been stable during the last decade.

The number of dwellings built and purchased in the social sector has more or less equalled the number sold and demolished, and the overall number has remained stable at about 2.4m.

During the five-year period from 1998-2002, housing associations added some 140,000 dwellings to their stock (building 80,000, purchasing 60,000), and lost 150,000 dwellings to sale (105,000) and demolition (45,000). The predictions for the four years 2004-2007 show a similar picture, with slight rises in new construction (150,000) and demolition (80,000). Unlike in some countries, where social housing landlords do not tend to purchase housing, housing associations in the Netherlands freely buy and sell their dwellings. They may buy from or sell to individual households or other landlords for a variety of reasons - in particular to improve their own financial position or to spur urban renewal. Housing associations can sell vacant properties on the open market.

In the Netherlands, housing is leased by the Government to qualifying residents with rental based on the household's means. In addition, the Government issues vouchers to certain qualifying household in order to assist them in accessing privately owned rental housing. To supplement the provision of social rental housing, there are many privately run emergency shelters to assist households that may need emergency assistance. (Dolta:2008)

Unlike the United States that does not recognise housing as a basic human right to be guaranteed by government, the Netherlands (like South Africa) considers housing as fundamental human right. The U.S prides itself on individualism, whereas the Netherlands prides itself on co-operation and consensus. This attitude to communal social responsibility is evident in the Housing Act of 1902. The Act entrenched the principle that the provision of housing is a shared national responsibility.

This shared responsibility originates from the fact that the Dutch throughout their history have had to work collectively to prevent sea water from flooding areas below sea level, which happens to be the majority of the land mass of the Netherlands. (Dolta:2008).

By the end of the Second World War more than one in ten housing units in the Netherlands was social housing units. Between 1945 and 1975 the proportion of social housing grew from 12% to 41%, and by the early 1990s the share had reached 44%. (Boelhouver:2003) Because social housing occupied such a significant portion of the Dutch housing stock, it was in no way perceived to be extraordinary. Households living in social housing units are not obliged to relocate as their financial situation improves. Therefore, the type of stigma associated with affordable housing in general, and public housing in particular, in the United States appears to be lacking within the Netherlands. In the U.S. the popular view of funded rental housing and its inhabitants is negative. Unlike the Netherlands, the United States government maintained a very arm's length role in housing development during the twentieth century. The National Housing Act of 1934 significantly increased the number of Americans able to purchase their own homes by providing more favourable mortgage possibilities. However, those without the means to purchase a home and those disqualified by race remained excluded. (Davis:2001)

According to Whitehead (2007), nowhere else in Europe does social housing dominate the housing market as it does in the Netherlands. In excess of one third of all households rent a social-sector dwelling. There are 2.4 million social rented dwellings, a number that has been stable during the last decade. The number of dwellings built and purchased in the social sector has more or less equalled the number sold and demolished, and the overall number has remained stable at about 2.4million. Throughout the five-year period from 1998 to 2002, housing associations added 140 000 dwellings to their stock (building 80,000, purchasing 60,000), and lost 150,000 residences

to sale (105 000) and demolition (45 000). The four years from 2004 to 2007 show a similar picture, with slight rises in new construction (150 000) and demolition (80 000).

Contrasting to other countries, where social housing landlords do not have a tendency to purchase housing, housing associations in the Netherlands freely buy and sell their residences. They may buy from or sell to individual households or other landlords for a variety of reasons - in particular to improve their own financial position or to spur urban renewal. Housing associations can sell vacant properties on the open market.

6.3 Summary

The primary instrument for housing poor households in the Netherlands is Social Rental Housing. The policy has been successfully implemented in part because Dutch society has taken a collective responsibility for the provision of adequate housing to all residents.

6.4 Conclusion

In the Netherlands there is an understood social contract that all people be appropriately housed. In the United State this view is not universally held. The Dutch approach has yielded positive outcomes. As James S. Russell wrote for Architectural Record in 2000, "A rational, humanistic planning and design process that dates from the 1920s has made the Netherlands among the world's wealthiest and best-housed nations." (Dolta:2008)

The policy of social rental housing and the lessons learned in the Netherlands may be appropriately applied to the problem of housing in South Africa as an option to solve the problem.

6.5 Hypothesis Test

6.5.1 Problem

What are the housing policies being employed internationally and how successful are these policies in solving the housing problem?

6.5.2 Hypothesis

Government subsidised rental housing, social and inclusionary housing policies have been implemented with great success in developed and developing countries. These policies may be used as benchmarks in South Africa.

6.5.3 Hypothesis Test

The introduction of government subsidised rental housing in the Netherlands has been very successful with the Netherlands having one of the best housing provision records in the world. The policy of social rental housing is one that can be used as a benchmark for success in South Africa.

CHAPTER 7: Summary and Conclusions

7.1 Background

What are the challenges in the provision of adequate housing in South Africa in the twentieth and twenty first centuries and how can the problem of providing housing to lower and middle income South Africans be overcome?

7.2 Summary

The primary objective of the study was to determine the origins of housing policy in South Africa, how the governments throughout the time period in question sought to solve the housing problem and to investigate how the problem of adequate housing provision has been solved in the Netherlands.

The historical perspective was explored in order to understand how historical events such as the South African War, the two World Wars, the 1948 election victory of the National Party and the democratic elections in 1994 influenced how the problem of housing provision developed over time. Various government policies which were directly and indirectly associated with housing provision and the success or failure of housing policy instruments were identified.

The origins of segregation in South Africa can be traced back further than the group areas legislation of the 1950's. The primary aim of the government between 1910 and 1948 was to curtail urbanisation and to control black labour. During apartheid, firmer government control of urbanisation was established together with the group areas policy. The Bantu states were established and urban and city planning was based firmly on race.

In 1994, the government introduced a housing policy based purely on the delivery of large quantities of housing units. In 2004, the policy was expanded to include the provision of socio-economic amenities and the development of sustainable settlements on well-located land parcels. More recently, government gave greater emphasis to the provision of owner housing to middle income households who did not previously qualify for housing assistance from the government.

7.3 Conclusion

It has been found that the primary challenges in terms of the adequate provision of housing are as follows:

- governments lack of clear policy direction with regards to housing in twentieth century,
- colonial legacy of segregation in residential town planning,
- race and class based housing policies pre-apartheid,
- an unwillingness by government to deal with urbanisation constructively and effectively,
- Group Areas and other pieces of apartheid legislation that provided for the separation of people based on race and income,
- The introduction of a quantitative based housing policy in 1994 that did not give cognisance to the provision of housing in well located areas, integration of income groups and the provision of adequate socio-economic amenities.

The study of housing provision in South Africa in the twentieth and twenty first centuries explored the challenges that the country faced in housing its population from the end of the South African War to the present day. Segregation, urbanisation, group areas policy, lack of political will, corruption,

poor quality of housing product, lack of services, lack of socio-economic amenities and poor spatial planning, throughout the period from 1900 to the present day have all contributed to preventing lower and middle income residents from being housed adequately.

Urbanisation resulted in the demand of housing outstripping supply throughout the period from 1900 to the present. The policy of apartheid curtailed the ability of government and the free market to solve the housing shortage in cities and towns.

In terms of quantitative delivery of housing, according to Government, these goals were met in 2004. However, it was the provision of sustainable and adequate housing that was not achieved. Therefore, the introduction of BNG policy sought to deal with the shortcomings of the previous policy and the provision of adequate and sustainable human settlements.

The policies introduced in 2004 were, according to many scholars precisely the policies needed to solve the problem of adequate housing provision. The new policies were met with great enthusiasm by both the public and private sectors. However, the problem of providing adequate housing remains unsolved, as there remains a lack of political will from the executive through to local government level to effectively implement the most noble of policies. The problem of shanty towns, poor services, lack of socio-economic amenities, poor settlement location, corruption, poor quality of housing product, etc. remain to this day. The government has in recent times established the R1 billion guarantee funds and encouraged the formation of PPP's to assist in the provision of housing to middle income households.

The social housing model as proposed in the Netherlands provided a valuable benchmark for the provision of housing to all households. The main problem in the case of South Africa remains that unlike in the Netherlands,

South African society and government in general do not make the provision of housing to all households a primary responsibility.

Finally, it may be concluded that from 1900 to 1994 race based housing policy neglected the housing need of the majority of households in South Africa. Post 1994, the housing problem has only partially been solved by the delivery of large numbers of RDP houses. Assistance to middle income households has only recently been addressed by government. The policies and programmes currently in place are able to solve the housing problem, but the problem remains unsolved.

7.4 Suggestions for further research

This study of housing provision was limited to government policies introduced to address housing delivery and the success or failure of these policies. It was found that there is a gap in the literature relating to the origins of the housing problem and the government policies relating to housing in the early part of the twentieth century in South Africa. The chapter on international housing was limited to the Netherlands only.

It is therefore suggested that further research be undertaken on the government housing policy in the early twentieth century and successful housing provision in other countries that may be used as a benchmark for success for South Africa.

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