South African low income housing policy: a wobbly pillar, a cornerstone for
development, or a lever for socio-economic change for the state?

By

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A proposal for the research project submitted to the Gordon Institute of Business Science,
University of Pretoria, in partial fulfilment of the requirements for the degree of Master of
Business Administration.

11th November 2013
ABSTRACT

The Constitution of the Republic of South Africa, 108 of 1996 (the Constitution), affords all South Africa citizens the inalienable right to housing. Since 1994 there have been many policies which include the Reconstruction and Development Programme (RDP) of 1994; and the Housing Act, 1997 (Act No. 107 of 1997). Currently the most fundamental housing policy is the National Department’s mandate is the Comprehensive Plan for the Development of Sustainable Human Settlements, 2004.

The first objective of this study was to analyse whether South Africa is viewed as a welfare or a developmental state. The second objective of this study was to assess whether the South African Low Income Housing Policy contained in the comprehensive plan for the development of sustainable human settlements (2004) is a wobbly pillar of the state, a cornerstone for development or a lever for socio economic change.

This research study comprised of sixteen in-depth interviews with South African housing policy developers and implementers. The interviews were based on semi-structured interview questions. The study followed a qualitative technique and an exploratory research approach. The study found that South Africa is not viewed as a welfare state, nor is it viewed as a developmental state. It is viewed as an intermediary state that has strong policies and institutions that support a developmental agenda. The study further found that the South African housing policy is not viewed as a wobbly pillar of the state but it is viewed as a cornerstone for development and a lever for socio-economic change.

There was lack of diversity because all interviews were based in Kwa Zulu Natal and Gauteng, which are only two of the nine provinces of South Africa. A total of ten recommendations were made to policy developers, implementers and for future research.

KEYWORDS

Low Income Housing, state, wobbly pillar, cornerstone, lever for socio-economic change
DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements of the degree of Masters in Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination at any other university. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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

Sindisiwe Zandile Nyandu-Sithole

11th November 2013
ACKNOWLEDGEMENTS

This has been a humbling journey for me. At different levels of the journey I was challenged academically, emotionally, personally and spiritually. I discovered an inner strength that I never knew I had. There are special people whom I would like to thank for this achievement:

Firstly to my Supervisor, Dr Trevor Taft, for your support, motivation, inspiration, wise counsel and guidance. As you predicted, “We completed this journey!” To the GIBS Faculty for the support, professionalism and for providing me with the opportunity to prove to myself that I am extremely resilient and that I can move beyond significance to greatness. To Bridget Makhura, for your support during this enlightening and demanding two year journey. To my classmates and the Brazil Team, all I can say is “Ate a vista”.

To my beautiful daughter, Khwezi, for your sacrifice, love, hugs, smiles, kisses and many messages of support. Thank you for loving me even though I was barely around. I know that one day you will understand.

To my husband, Mthokozisi, for making me stronger during this journey and for spoiling Khwezi for both of us in my absence. Thank you for understanding that you were not able to see me as much as you deserved to. To my dearest and loving parents, Sigidi and Silungile Nyandu, for instilling in me the true value of education and looking after my daughter while I burnt the midnight oil. I am truly blessed to have you as my parents.

To my Twin Lakes family, Mpume, Mbali, Phila and Percy for making life seem so easy and bearable during my journey, and pushing me towards excellence. Mpume and Mbali, you are my rock(s), always! You are my worst critics and my best, strongest defenders.

To my “other mothers”, Aunty Sko Nyandu and Balungile Sithole, thank you. Aunt Sko, your weird and incredible stories reminded me not to take life too seriously even through the toughest times. To my extended family and friends, thank you for the continuous support, and for forgiving me my tantrums and many absences from important gatherings.

Finally to all my interviewees, this research study would not have been possible without your wise and well considered input.
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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

What the poor lack is easy access to the property mechanisms that could legally fix the economic potential of their assets so that they could be used to produce, secure, or guarantee greater value in the expanded market. . . . Just as a lake needs a hydroelectric plant to produce usable energy, assets need a formal property system to produce significant surplus value. (De Soto, 2001)

1.1 Research Title

South African low income housing Policy: a wobbly pillar, a cornerstone, or a lever for socio-economic change for the state?

1.2 Introduction

According to Del Mistro and Hensher (2009) it is estimated that 1.1 million households live in informal shelter in the nine major cities of South Africa (SACN, 2006). These cities account for 40.7% of the population of South Africa, and 68.7% of the national household income. Twenty-four percent of households in these nine cities live below the Minimum Living Level (SACN, 2006). Upgrading informal settlements or slums is not only a challenge for South Africa, but also for many other countries. It was estimated that 1 billion people in the world are housed in slums and that this could double in three decades (UN Habitat, 2005).

Manual (2011) acquiesced that at the core of the South African National Development Plan, 2011 (SANDP, 2011) are the capabilities of the South African people and South Africa as a state and creating opportunities for both. He acknowledged that the needs of the people may differ but he was adamant that they include decent accommodation, safer communities and social security.

The objective of this study is to contribute to the body of knowledge and influence studies in Social Policy Development and Implementation. Government and business alike will benefit from this study.
1.3 South African Low Income Housing Policy

1.3.1 Background

In order to understand the foundations of the South African Low Income Housing Policy, it is important to understand the background and history of the country. Freeman (2008) explained that by using legislation as one of its main tools the apartheid government provided white South Africans with abundant resources and economic opportunities. Correlated with the opportunities provided to whites was the systematic denial of opportunity to Black South Africans (which include African, coloured and Indian people).

Zhang, Uys, Moss and Mutotsi (2008) deferred that the South African economy was built on racial divisions where rural areas were divided into underdeveloped Bantustans, alongside well-developed, white-owned commercial farming areas. Towns and cities were divided into townships for blacks that had no basic infrastructure but white suburbs had good services and infrastructure. They argue that segregation was evident at every level: in education, health, welfare, transport and employment. It has left deep scars of inequality and economic inefficiency. From their submission it is evident that violence in many ways has had a disastrous impact on the South African society and as such the need to restore peace and a sense of security, has become important. Since 1994, the African National Congress (ANC) led government has worked to remedy the effects of apartheid through legislative means.

1.3.2 The Constitution of the Republic of South Africa, 108 of 1996

In terms Section 26 (1) and (2) of the Constitution of the Republic of South Africa, 108 of 1996 (the Constitution), all South Africa citizens are afforded the basic right to housing. The constitution compels the State to take reasonable legislative and other measures within its available resources, to achieve the progressive realisation of this right.

1.3.3 The “RDP Phase” of the South African Housing Policy

According to the South Africa National Housing Code (2009), since 1994, after the dawn if democracy there has been numerous policy and statutory developments in low income housing development. These included the Reconstruction and Development Programme (RDP) of 1994; and the Housing Act, 1997 (Act No. 107 of 1997). The two fundamental documents that provided content to the National Department’s mandate are the New Housing Policy and Strategy for South Africa: White Paper, 1994 and the Comprehensive Plan for the Development of Sustainable Human Settlements, 2004.
1.3.4 The “BNG Phase” of the South African Housing Policy

The introduction of the Breaking New Ground Housing (BNG) Strategy in 2004 was an important housing policy shift for South Africa as it signified the government’s strong commitment to achieve a holistic concept of adequate housing by supporting citizens in achieving this vision incrementally (BNG, 2004).

In 2004 the terminology also changed from housing to human settlements. According to the National Department of Housing (2004) “the new Human Settlements Plan reinforced the vision of the Department of Human Settlements to promote the achievement of a non-racial, integrated society through the development of human settlements and quality housing”. Tonkin (2008) emphasised the following five objectives propagated by the BNG:

i) Promoting densification and integration;

ii) Enhancing the location of new housing projects;

iii) Supporting urban renewal and inner city regeneration;

iv) Developing social and economic infrastructure; and,

v) Enhancing the housing product.

Schensul (2008) stated that after apartheid, local government in South Africa attempted to break down the barriers of the apartheid city structures through a massive program of public investment that was intended to close the economic and infrastructure gaps between race groups.

1.3.5 The “NDP Phase” - South Africa National Development Plan

In 2010 a study on the national development plan was commissioned by the South African cabinet. The current Minister in the Presidency, Trevor Manual, led this commission. According to Manual (2010), the diagnostic report of the National Development Plan Commission identified five main challenges in the housing arena in South Africa which included dysfunctional settlement patterns across the country, challenges facing towns and cities, challenges of providing houses and basic services.

In terms of Chapter 8 of the South African National Development Plan (2011), by 2050 South Africa will have well managed villages, towns and cities, a mix of housing types and tenures to meet different needs, energy efficient homes, well developed and maintained infrastructure supporting businesses and a vibrant economy.
1.4 The State

1.4.1 The Welfare State

According to Barr (2012) a welfare state can be defined as a state system whose main focus is to assist the welfare of the people who are weak and vulnerable, more especially by providing social care, through redistributive income transfer, and by organising cash benefits, and in most cases such states provide medical insurance and school education.

Rudra (2007) posited that in developing economies the welfare state efforts are either directed towards promoting market development (a productive welfare state) which prioritize commodification, and limits the government’s control over the economy; or towards protecting select individuals from the market (a protective welfare state) which limits the emphasis on international markets and ultimately makes government central. Rudra (2007) continues to argue that the protection of domestic firms from international competition allows politicians to have maximum discretion and control over the economy.

1.4.2 The Developmental State

Edigheji (2010) states that a developmental state should have the capacity to firstly lead the development of a common national agenda, and secondly to ensure the mobilisation of all sectors of the society to participate in implementing that agenda. Edigheji (2010) further argues that this includes the capacity to prioritise strategic issues, to create national cohesion by identifying national goals and initiatives with strong potential to unite the nation in supporting the rest of the national agenda would be informed by the popular mandate from the citizens.

Since there are many debates regarding the type of state that South Africa is, this study investigates whether South Africa is viewed as a welfare or a developmental state.

1.5 A Wobbly Pillar

The metaphor of housing as the wobbly pillar is based on a submission of Torgersen in 1987. In explaining this metaphor, Malpass (2008) submits that the idea of housing as a wobbly pillar emanates from the argument that while the state should provide a set of public services which include education, health and social services, many scholars have refused to recognise housing as one of those public services which should be provided by the state.
The above submission is supported by Stamsø (2010) who submits that housing has been characterised as a wobbly pillar of the welfare state because even though housing is viewed as a public service, in addition to pensions, schooling and health, the former has always been a contested area and debates continue into whether housing should be a public service provided by the state or whether it should be classified as a service that should be provided through free market mechanisms.

Both Stamso (2010) and Malpass (2008) agree that the delivery of housing by the state results in lack of objectivity, inefficiencies and inequalities because of the inability of policy makers to distinguish between policy objectives and methods of housing delivery. Scally (2012) acknowledged that there are benefits in low income housing development, however he argues that there are usually concerns from potential neighbours of low income communities and makes reference to a NIMBY (not in my backyard) attitude which is often shaped by fears that crime will be on the increase, neighbourhood poverty levels will rise, and property values will drop because of the development of low income housing in the vicinity of their neighbourhoods.

1.6 A Cornerstone

Fahey and Norris (2011) states that there is a distinction between the house as a dwelling which can also be seen as a capital asset which can generate income through rental opportunities and resale in the property market and the house as a service which can provide accommodation and shelter. They further argue that the basic element of housing development which is provision of shelter gives rise to a social element of housing which is social status and security which ultimately gives rise to an economic element of housing which is the ability to use the house to generate income.

Fahey and Norris (2011) submit that low income housing policies that assist people who are less able to buy their own homes should be at the centre of social housing policy and most developed countries used these policies to empower their citizens. They argue that the provision of low income housing by the state and the distinction of housing as a market asset and housing as shelter offers the beneficiaries the opportunity to understand that there is potential growth from dependence on the state for welfare to full economic independence. Malpass (2008) supported this argument and further explained that the accrued benefits of low income housing policies have less to do with housing as a dwelling and more to do with housing as a provider of security and independence.
Van Der Molen (2012) presented an interesting argument when he submitted that the poverty of many marginalised people who are poor is caused by their inability to turn their possessions into income generating assets. He further argues that people need housing in order to generate income and create security for their current and future needs. He further submits that in most instances the poor and marginalised live outside the “bell jar” of the formal economy and as such the low income housing can form a basis for the poor and marginalised to permeate the glass and move inside the “bell jar”.

### 1.7 Lever for Change

Landis and McClure (2010) submitted that the ability to own a home is part of the process of building wealth and argue that for over eighty years facilitation of homeownership has been the cornerstone state housing policies. They further argue that the main beneficiaries of this cornerstone are the off springs of the homeowners and that housing is therefore a cornerstone because homeowners usually take more interest in the development of their neighbourhood to ensure that the neighbourhood are stable and that their properties can be used by generation after generation. This, they submit, results in positive social and personal outcomes.

Van Gent (2009) affirmed that some governments use the ownership of housing as a strategy to manage social problems, and as a plan to ensure that in old age their citizens are catered for in terms of security of tenure and do not rely solely on state public services even for shelter. He argued further that in developed countries, governments position housing ownership as a lever for change to ensure that the welfare burden on the state is greatly reduced. This type of conceptualisation means that housing is not viewed only as providing shelter, and is not viewed only a cornerstone for development but it also begins to play a role in the socio-economic change process within a state.

### 1.8 Research Objectives

In view of the above submissions, it is important to understand that as submitted by Zhang *et al* (2008) the South African low income housing policy was developed to provide housing to the poor and the previously marginalised because of their race and gender. The intention was to provide assets that would grow in value so that they become a cornerstone for development and a potential lever for socio-economic change.
According to Zhang et al. (2008) South Africa was able to physically deliver over 1.8 million houses between 1996 and 2008. It is therefore important to analyse the South African low income housing policy in terms of its strength or wobbliness as a public service, in terms of its ability to be a cornerstone for development for its beneficiaries and finally in terms of its capacity to be a lever for socio-economic change and transformation.

This study gathered different perceptions, perspectives and information on this topic from stakeholders who have played and continue to play a role in the development and implementation of the South African housing policies. In conclusion, therefore, the significant research objectives are:

- To understand whether stakeholders in the Housing Development field view South Africa as a welfare state or a developmental state;
- To understand whether stakeholders in the Housing Development field view the South African Housing Policy as a wobbly pillar of the state;
- To understand whether stakeholders in the Housing Development field view the South African Housing Policy as a cornerstone of the state;
- To understand whether stakeholders in the Housing Development field view the South African Housing Policy as a lever of socio-economic change for the state;
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The previous chapter introduced the South African Low Income Housing Policies and the significant research questions on which this analysis was based. It presented the relevance of this study in South Africa and the academic motivation for this study. This chapter reviews the theory and conceptual framework regarding low income housing for any state. This literature review focuses on five broad areas vital to this study which are the South African low income housing policy (the Policy), low income housing in any state, low income housing as a wobbly pillar, low income housing as a cornerstone for development and low income housing as a lever for socio-economic change.

2.2 South African Low Income Housing Policy

2.2.1 Introduction: South African Low Income Housing

According to Zhang et al (2008) before 1994 there was lack of coordination South African Housing sector, the funding was not equitable and inconsistent and there was no guiding policy framework and all available instruments were ill-defined. They submit that in South Africa there were fifteen departments that independently dealt with housing development and delivery. With the dawn of democracy in 1994, the South African Housing White Paper was developed, promulgated and accepted. This South Africa Housing White Paper sets out the framework of the new National Housing Policy. It was aimed at increasing the rate and scale of housing delivery.

According to the National Department of Human Settlements (2004), from 2004 there is a new low income housing plan for South Africa called the Sustainable Human Settlements Plan of 2004 which commonly referred to as the Breaking New Ground Policy (the “BNG”) whose intention is to re-enforce the vision of the National Department of Human Settlements to promote non-racial communities and a cohesive society through human settlements development. For the purposes of this study the South African National Housing Plan for Sustainable Human Settlements which is the current South Africa low income housing policy will be referred to as “the Policy”.

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According to Sisulu (2008) since 1994 the evolution of various policy positions has given effect to the new approach to housing in South Africa. These include the Reconstruction and Development Programme (RDP) of 1994; the Growth, Employment and Redistribution (GEAR) Strategy of 1996; the Accelerated and Shared Growth Initiative – South Africa (ASGI-SA) of 2005, and the Housing Act, 1997 (Act No. 107 of 1997). According to the National Department of Human Settlements (2004) in 2004 the terminology changed from housing to human settlements to signify a new policy concept and to affirm low income housing as a public service where the delivery thereof should be coordinated with other public services to enable the state to deliver human settlements which are sustainable.

2.2.2 Instruments of the South African Low Income Housing Policy

The submissions of Aurand (2010) echoed the “BNG” approach and propounded that the housing requirements of the poor and marginalised can be addressed effectively by higher density housing development, mixed income housing development, a variety of housing types and designs and optimum land use strategies. Tonkin (2008) stated that housing should be viewed as a term with a greater meaning than merely shelter and it should include different housing typologies, infrastructure, whole residential neighbourhoods as well as public spaces and social amenities. Both the submissions of Aurand (2010) and Tonkin (2008) support BNG approach to housing development in South Africa.

According to the South African National Housing Code (2009) the Policy is made up of the following housing instruments. Table 2.1 is a depiction of BNG instruments for low income housing in South Africa:

Table 2.1: South Africa Housing Instruments

<table>
<thead>
<tr>
<th>SOCIAL AMENITIES</th>
<th>SOCIAL HOUSING</th>
<th>AFFORDABLE HOUSING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Amenities Programme</td>
<td>Institutional Housing Subsidy</td>
<td>Individual Housing Subsidy</td>
</tr>
<tr>
<td>Emergency Housing Programme</td>
<td>Community Residential Units Subsidy</td>
<td>Credit Linked Housing Subsidy</td>
</tr>
<tr>
<td>Housing Rectification Programme</td>
<td></td>
<td>Rural Housing Subsidy</td>
</tr>
<tr>
<td>Enhanced Extended Discount Benefit Scheme</td>
<td></td>
<td>Consolidation Housing Subsidy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>People’s Housing Process</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Farm Residents’ Housing Subsidy</td>
</tr>
</tbody>
</table>

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This study acknowledges that there might be different definitions and interpretations of these instruments. However for the purposes of this study the definitions offered by the South African National Housing Code (2009) are used as a guide.

2.2.2.1 Social Amenities Programme

Social Amenities

The Programme deals with the development of primary public, social and economic facilities within existing and new housing areas, as well as within informal settlement upgrading projects, in cases where municipalities are unable to provide such facilities. A needs assessment and an amenities audit determines the social amenities required by a specific municipality and then these social amenities are delivered accordingly. Lemanski (2010) explained that the approach that is adopted by South Africa to include the poor people into its economy which can be viewed as capitalist in nature by using low income housing policy seeks to ensure that poor people are also provided with an asset that has the ability to grow in value and can be used in a productive manner.

Emergency Housing

As it was stated by Del Mistro and Hensher (2009) that at least one million households live in informal shelter in South Africa, during the process of upgrading informal settlements it generally becomes necessary to use temporary accommodation to house people while their formal houses are being built and applicable services are being installed. Furthermore, it often becomes necessary to provide temporary housing assistance after natural or man-engineered disasters. Landau and Duponchel (2010) viewed emergency housing with suspicion and they propounded that most displaced people are not necessarily the most in need and argue that governments should base their intervention on empirical evidence of need rather than on the assumption and presumption of need.

EEDBS and the Rectification Scheme

According to the South African Housing Code (2009) the Enhanced Extended Discount Benefit Scheme (EEDBS) was developed to guide local government on the management of houses which were developed and delivered by governments before 1994. Until 1994, the government had owned these houses. The intention of the EEDBS was to stimulate housing ownership through transfer of such houses to qualifying beneficiaries who have occupied them as rental property before 1994.
The South Africa Housing Code (2009) acknowledged the fact that some of the houses that were developed before 1994 were not adequately maintained and required rectification before they were transferred to qualifying beneficiaries. Magoro, Mutshinyani and Brynard (2010) submitted that the South African government should be concerned with these policies because in order to rectify and transfer these houses extensive use of the procurement policy has to be used. They argued therefore, that their concern is based on the fact that the general perception is that government does not have the capacity to implement and monitor its own procurement process. This, they argued, results in an inadequate rectification process and transfer of inadequate houses.

2.2.2.2 Social Housing Programme

Institutional Housing Programme

The South Africa Housing Code (2009) submitted that the principle of housing provision was based on the provision of freehold tenure to low income housing beneficiaries in South Africa. With the evolution of the housing policy approach and the integrated approach to housing, there is a need to provide affordable rental houses in the vicinity of areas of high economic activities. The Policy views the provision of affordable rental houses as a facilitation of social cohesion and integration across all income and population groups. Tissington (2010) is in agreement with this approach but he registered many concerns with the slow pace of rental housing delivery in South Africa.

Community Residential Unit Programmes

According to the South Africa Housing Code (2009) the legacy of apartheid condemned the Black, Coloured and Indian people who worked in the cities to “single-gender” housing structures that were referred to as “hostels”. In an attempt to correct the wrong policies of the pre-1994 era, the Policy introduced the institutional housing programme which converted the “hostels” into affordable rental family units. This approach was supported by Bradlow, Bolnick and Shearing (2011) when they explained that the housing institutions of government in South Africa should involve the poor in their policy development, planning and housing delivery. They argued that for social institutional programmes social participation by intended beneficiaries is of paramount importance.
2.2.2.3 Affordable Housing

**Individual Housing Subsidy Programme**

In terms of the South Africa Housing Code (2009), this programme assists qualifying individuals who wish to purchase land or an existing house. Lizarralde (2011) agreed with this subsidy instrument but cautioned that the implementation of this programme should be guided by strong stakeholder participation and guidance in the planning phase, during construction or rectification phases and when the final product is handed over to a beneficiary.

**Credit Linked Housing Subsidy Programme**

According to the South Africa Housing Code (2009) the purpose of the credit linked housing subsidy is to provide assistance with housing credit to households and housing entities who did not qualify for financial assistance from mainstream financial institutions. Venter (2009) was sceptical of the success of this type of housing instrument and submitted that at the very core of his scepticism was the spectacular failure of the National Housing Finance Corporation (NHFC) which was established in 1996 to provide financial assistance to such households and entities. He argued that the financial statement of the NHFC indicated that their outstanding advances to lower income market over the past twelve years is less than R1 billion compared to the commercial lenders which over the past five years alone is recorded as being at R30 Billion.

**Rural Housing Subsidy: Communal Land Rights**

In terms of the National Housing Code (2009) the Rural Housing Programme only applies to rural areas with communal tenure. The housing subsidy is based on a housing project approach of delivery as opposed to the individual type of approach. Adams, Cousins and Manona (2009) agreed and stated that the security of tenure plays a critical role in the socio-economic development activities and the transformation agenda of the country.

**Consolidation Housing Subsidy Programme**

According to the National Housing Code (2009) this housing subsidy applies to beneficiaries who at the end of 1994 had a serviced stand which was ready for construction. The housing subsidy provided only relates to the construction activities and not for the acquisition of land.
Gunter (2013) submitted that this process ensured that the previously disadvantaged citizens of the country were able to feel and enjoy the freedom and sense to full entitlement to their properties. He argued that these citizens would feel like they own a piece of the land in which they live. He referred to it as a feeling of a “co-sovereign being”

**Enhanced Peoples’ Housing Process**

According to the National Housing Code (2009), the People’s Housing Process is government housing subsidy programme that focus on assisting individuals who want use their own ability to build called “sweat equity” to build their own homes. This process normally involved establishing a support group that assists with different skills in building their houses. These skills can range from technical to administrative skills. Such approaches allow the beneficiary to make pertinent decisions about his or her house, manage costs of construction and save on labour costs.

Landman and Napier (2010) who supported this approach, raised concerns that this type of programme in South Africa has not reached its full potential and as such it has not been able to deliver housing to its maximum scale. These authors argued that this may be as a result of the ineffective performance of the state in housing delivery and the availability of suitably located land for low income housing development.

**Farm Residents Housing Assistance Programme**

The National Housing Code (2009) stated that the intention of this programme was to provide housing assistance for the acquisition of land, development of infrastructure and building of low income houses for farm workers where no other funding is available. According to Bezuidenhout and Buhlungu (2010) the apartheid social strategy involved a spatial strategy that was based on ensuring that Blacks, Coloureds and Indians were placed on the periphery of development. They argued that this strategy that ensured oppression both in mining centres and towns and also in rural homesteads and privately owned farms.

2.2.2.4 An analysis of Low Income Housing in South Africa

**The Millennium Development Goals**

Groenewald (2011) proposed that South Africa might have achieved much in physical housing delivery which is believed to have been over 1.8million units in 2008, however with the right of housing entrenched in the constitution, there are still great challenges facing South Africa in the provision of low income housing provision. He further argued that because of the international pressure on the housing delivery targets according to the
Millennium Development Goals (MDGs), some of the South African state organs assume strategies that ultimately work against the intention and the spirit of the Policy which include window dressing and manipulation of statistics by such state organs. He argued that this may improve the general perception but it will not fool the man on the ground who is still waiting on the promise of housing delivery.

**Mixed Success**

Charlton (2009) suggested that after 1994 the South African housing programme has succeeded in certain aspects and has failed dismally in others. She admitted that there is therefore a need to reconsider the entire housing subsidy system and the delivery of low income housing through this type of approach. She further argued that the various interpretations of the policy provisions and the delivery processes by state organs at times present a very high level of complexity and ambiguity regarding the next steps of the housing programme in South Africa.

**Post-apartheid spatial planning**

Schensul (2008) posed many questions regarding the South African post-apartheid spatial planning facilitated by the housing policy. He argued that the impatience from the citizens for the fulfilment of the promises made by government regarding infrastructural needs and the pressure on the state to deliver have lowered the expected level of delivery in certain areas in terms of the quality and location of low income houses. This he argued will make the low income houses depreciate in value rather than grow into a productive asset.

**1 Million houses in the first 5 years in government**

Del Mistro and Hensher (2009) acquiesced that perhaps the South African government was too ambitious in promising its citizens the delivery of one million houses within its first five years in government. Huchzermeyer (2006) argued that while the government might have met this target but the impact of this rushed development has put a strain on family structures and weakened social and livelihood networks due to the nature of development and design of the current low income housing development.
2.3 The State

This study refers to South Africa as a state. According to Hughes (2013) the difference between a state and government is that a state can be defined as a form of political entity whose primary objective is to provide authority over a particular territory for a nation and it is legitimised by a specified geographic location and serves the needs of a particular nation. Alternatively, government together with a state’s legal system is one of the instruments and institutions that are used by the state to deliver on its objectives.

For the purposes of this study, South Africa is referred to as a state and is analysed in terms of its context as a state. There are currently on-going debates about whether South Africa is welfare or a developmental state and no clear consensus has been reached thus far. This study briefly explores both definitions.

2.3.1 The Welfare State

2.3.1.1 Definition of the Welfare State

According to Barr (2012) the objective of a welfare state is to provide a safety net for the citizens of its country who are financially and economically vulnerable. He submitted that a welfare state rolls out interventions that are able to empower the weak through education, health, and social welfare programmes. These interventions can be cash based or brought about through socio-economic policies that protect the poor and provide them with a variety of benefits without the expectation of payments. For the purposes of this study it is important to comprehensively analyse the welfare state in developing economies and the welfare state in developed economies.

2.3.1.2 Welfare State in Developing and Developed Economies

Rudra (2007) stated that there are two approached of a welfare state in developing economies, namely the productive welfare state and a protective welfare state. He submitted that in developing economies the welfare based interventions can give rise to what he refers to as a productive welfare state. A productive welfare state he explained is a welfare state that leans more towards the idea of promoting market development and makes varied attempts to reduce citizen reliance on the state through a productive market system and promotion of innovation and entrepreneurialism. The productive welfare state, he argued, would encourage a balance between exports and imports in order to facilitate macro-economic development of the state.
With regard to the protective welfare state Rudra (2007) defined it as a welfare state whose welfare interventions can give rise to the protection of the vulnerable and poor from the market and the economic activity broadly while the state promotes government interventions to assist the poor and the vulnerable. While the protective state is protectionist in its approach, he argues that it provides domestic business initiatives with very limited exposure to international competition which results in government playing a larger role in the control of the economy.

The potential result of this protectionist approach Rudra (2007) argued is that with the increased role of government in the economy and the lack of exposure of domestic businesses to international trends, it allows politicians to exert and use maximum authority, discretion and control over the economy. Horsefall (2010) presented another perspective in the analysis of the welfare state. His main question was whether there are developed economies that can still be referred to as welfare states. He stated that if the response to this question is in the negative, then what do these developed economies have in the place of welfare state? He questioned what alternative institutions are available to manage the plight of the poor and vulnerable within these economies.

Horsefall (2010) introduced a new term of a “competition state”. He submitted and suggested that the advanced or developed economies are departing from the traditional state approaches that they have used in the past towards a competition state. He argued that the “competition state” focuses on the competitiveness of the state both in terms of the level and types of interventions offered to its poor and vulnerable citizens by investing in public services like education and health while recognising that the macroeconomic domestic and global competitiveness of a country is vital.

2.3.2 The Developmental State

Edigheji (2010) suggested that a developmental state should have the ability and capacity to define the national development agenda strategic leadership and involvement of its citizens. He argues that a developmental state should have the capacity to include its citizen in the planning phase of the national agenda but also during the delivery of such national agenda. He argued that a developmental state should have the foresight of identifying relevant stakeholders and social partners who can help it deliver on the elements of the national agenda. Fine (2010) argued that in attempting to analyse the elements of a developmental state, it is important to consider closely the particular country’s institutional architecture and its policy orientation.
2.3.2.1 Institutional Architecture

According to Fine (2010) institutional architecture refers to the institutions that are available within a particular state that provides that particular state the ability and capacity to develop and implements the state’s national developmental agenda. He further posited that the development of these institutions should be informed by the development goals that have been identified by the government, its citizens and its social partners such as business and trade union movements.

Edigheji (2010) argued that a country’s economic governance determines the country’s development orientation. He submitted that countries who believe in the efficiency and ability of the market to self-regulate are usually the more developed economies while countries like China, Japan and other states in Asia are developmentalist states and usually play a more central and impactful role in their development agenda.

2.3.2.2 Policy Orientation

Von Holdt and Akoojee (2010) presented the second dimension of a developmental state as the policy orientation particularly social policy. They presented the social policy on health as one of the main pillars in a developmental state because it can be used as a state tool to manage the health of the nation and ensure that the workforce of the future is healthy and furthermore life expectancy issues are managed adequately.

Akoojee (2010) showcased education as a potential measure of the potential success of a developmental state in terms of its policy orientation. He argued that investment in education, skills and training are the pre-requisites of a state that wishes to develop both in terms of competing globally and in terms of industrialisation. He argued further that the state architecture and institutions can only become fully effective if it supported by strong and sustainable education policies and relevant skills.

2.3.2.3 The South African context

Van Holdt (2010) questioned whether South Africa is a welfare state or a developmental state and concluded that South Africa is neither. He acknowledged that his submission is based on his own perceptions and comparisons with other like states. He suggested that South Africa should be viewed as an “intermediary state” which is similar to India or Brazil and this classification should be based on the gene-coefficient levels of inequality and poverty while the social policies available in country provide the basis for a developmental agenda.
2.4 Housing as a wobbly pillar

2.4.1 Metaphor of Housing as a ‘Wobbly Pillar’

The reference to housing as a wobbly pillar was initiated by Torgesen in 1987 and it has been the basis of all types of debates by different housing and welfare states scholars. According to Stamsø (2010, 2008) even though housing is one of the pillars of the public services which are provided for by the state, in addition to education, health and social services it has always been misunderstood.

Stamsø (2010) suggested that this misunderstanding is based on the notion that some scholars submit that housing should not be provided for by the state as part of public services and it should be left to free market mechanisms and its perceived efficiencies. She further argued that perhaps this confusion can be attributed to governments and policy makers who have not been able to distinguish between the role of the state and government in housing policy development and the role of the markets in the entire housing delivery value chain.

Kemeny (2006) elucidated the work of Torgersen (1987), that education, health care, social security and housing are welfare tenants that should be provided for by the state. Kemeny (2006) is aligned with Stamsø (2010) in stating that housing can be described as a wobbly pillar because it can be viewed from a free market perspective and from a state welfare perspective. He submitted that this does not assist in changing the perception that housing is a wobbly pillar because it means that this confusion can be used against the state where the state can be presented as inefficient and confused in its role of welfare interventions and development agenda.

Malpass (2008) agreed with both Kemeny (2006) and Stamsø (2010) by submitting that the fact that in the majority of countries most people still use market mechanisms to purchase houses and home means that the scope and size of the role of governments in the provision of low income housing is greatly reduced. He further stated that the United Kingdom policy shift in the 1980’s from rental accommodation towards the “Right to Buy” also placed state provided low income housing in a precarious position as the emphasis moved from welfare provision by the state to buyer-led housing situation. Malpass (2008) stated that this situation led to the term “a stillborn social service” for low income housing delivery by the state.
2.4.2 Housing Affordability

According to UN-Habitat (2005) in the developed economies, most countries have adequate housing in their countries. For some emerging and developing economies there is some notable development towards adequate housing. The UN-Habitat (2005) posits that the same is not true for a significant proportion of the global population. Warnock and Warnock (2008) submitted that the reversal of the fortunes for the significant global population can only be addressed through market mechanisms that are well-functioning and efficient.

Stamsø (2010) disagreed with Warnock and Warnock (2008) as she explained that housing market cannot address the housing issues single-handedly. She stated that there are two main problems with the market approach: firstly that the market approach tends to concentrate on both risks and rewards and as such the poor and vulnerable in the society would be excluded almost immediately because they pose a higher risk and secondly that there is no uniformity in terms of housing prices in the market because these are triggered by different events and outcomes at different times and in different parts of the country and no government can control or predict such market movements.

Malpass (2008) concluded therefore that based on the submissions of Warnock and Warnock (2008) and Stamsø (2010), housing affordability and the wealth created through housing development and ownership will always be distributed unevenly. Such distribution will not necessarily be aligned to the need, easy access to housing instruments and the future potential of such housing instruments in the future. Malpass (2008) concluded therefore that market led housing development should be abandoned because the mere submission of lack of state intervention means that the market has the potential to provide more benefits for the part of the society that is wealthy and further oppresses the poor and vulnerable.

Sedgwick (2008) posited that the housing affordability has been debated for many decades both from an economic and social perspective. He stated that the debates have confined themselves to specific groups like low income households, first time home buyers and those groups with no other options except to rent. He argued, therefore, that perhaps debates regarding housing affordability should be more integrated and analyse housing affordability across a continuum including entry into the housing market, the availability of housing instruments, levels in the housing market, managing the housing asset and making the asset more productive and exit options from the housing market.
2.4.3 State Housing Programmes

Martens (2009) submitted that the notion of housing as a wobbly pillar is not a new one. She stated that it dates back to the time of the First World War. She argued that state provided housing programmes were initially a set of building regulations and guidelines regarding the quality of building standards expected. She argued that the sense of urgency in housing development was facilitated by the need to provide well located shelter and accommodation to all people who served in the war from soldiers to caterers. Martens (2009) argued that in most countries, the urgency to provide shelter and accommodation, and the political and planning compromises that had to be made during the war provided the genesis of the challenges facing state provided housing programmes today.

Forsyth, Nicholls and Raye (2010) agreed that in many countries the provision of low income houses or state provided housing need to increase but he cautioned that the challenges and planning compromises that were made by governments need to be corrected by local governments who engage directly with the citizens and who have more pronounced influence on the housing beneficiaries than the actual policy makers at central government. These authors submitted that if this engagement and public participation is not conducted then low income housing units that are provided for by the state will continue to be viewed with suspicion and resistance.

Abramsson (2008) agreed with Martens (2009) enhanced the argument further by stating that whether state provided housing is an opportunity will depend on the individual’s ability to turn it into a productive asset or the individual’s ability to view it as a constraint that has no other outcome except to provide shelter. The real opportunities, they argued, are based on the ability of the housing product to be used as collateral to empower the beneficiaries and perceived opportunities are based on social context and available information. These authors further submitted that the high level of restrictions imposed on housing development by the state make housing a perceived opportunity.

Landis and McClure (2010) explained that for many years, housing development programmes which are provided for by the state have tended to produce outcomes that are negative against certain parts of the society. The primary example is in South Africa where state housing programme perpetrated discrimination against Africans and other minorities. These two authors argued that the policy intentions are not always translated into effective housing programmes.
2.4.4 Perceptions on low income housing

Scally (2012) acknowledged the benefits of low income housing development and the important role played by the state, however he submitted that there are many potential negative outcomes when low income houses are developed. He made reference to the NIMBY syndrome which is explained as the *not-in-my-backyard* syndrome. He argued that people exhibit such concerns based on personal attitude which is shaped by general stereotypes and institutionalises action where all neighbours congregate and agree on a common purpose, attitude and plan of action.

Tighe (2012) suggested that the development programmes of low income housing involved many processes and procedures which must be well coordinated and aligned. He submitted that besides the institutional and technical processes and procedure, low income housing development usually triggered negative concerns among neighbours of potential low income communities. These concerns included the potential decrease in quality of life and property values. He concluded by stating that many scholars agree that there is no empirical evidence of a correlation between the development of low income communities and these concerns.

Scally (2012) and Tighe (2011) are in agreement as they both suggested that some of the concerns of low income housing development are based on the notion that the low income housing development is not able to contribute towards the costs of government services that are required to support the infrastructure of additional communities. They both argued that in most cases the low income housing provisions are accompanied by tax relief policies for the beneficiaries so this places a tax burden on the residents of neighbouring communities.

Du Toit (2010) in her study of homelessness suggested that the people who were interviewed especially from the local government levels stated that their approach to managing homelessness included primarily social participation where the view of the civil society was solicited and their responses coordinated and common themes were identified. In order to change and manage the negative perceptions of community on homelessness and by extension of the low income housing provision there is a need for partnerships at different levels of the public sector and at all levels of the private sector. She argued that the people interviewed stated that the challenge was primarily that the institutional, policy and legislative frameworks of these sectors were fragmented and not coordinated.
2.5 Housing as a Cornerstone

2.5.1 Security of tenure

Zheng and Wong (2010) stated that money is referred to as economic capital and such economic capital is visible, it can be held, counted and assessed. They argued that housing produces social capital and such social capital is not visible, sometimes it cannot be seen but it can be understood and it cannot be assessed or counted. They argued that both types of capital are vital in supporting good social relations and good social behaviours, however very limited solid research has been done on the social capital.

Malpass (2008) is in agreement with Zheng and Wong (2010) and enhanced the argument by arguing that the modern states place housing which is an element of social capital in a more central position. He argued that previously, the provision of housing was based on the sole notion of providing only shelter but the modern thinking Malpass (2008) explained is based on the impact of the housing provision in terms of providing security and independence for the beneficiaries. He argued that security and independence play an important role in determining and shaping social behaviour and social relations.

Ahiakpor (2008) introduced an interesting angle when he critiqued De Soto’s diagnosis that the real hindrance of economic growth in developing countries is the lack of property titles. Ahiakpor (2008) aligned his argument with that of Malpass (2008) and Zheng and Wong (2010) by proclaiming that property titles alone will not result in adequate social capital. He argued that it is the lack of property titles that the beneficiaries will be able to convert into socio-economic instruments for growth which is the real hindrance for growth. He argued that the poor people in developing countries hardly own any assets and even the houses provided by the state come with many restrictions.

Gilbert (2012) echoed the sentiments of Ahiakpor (2008) and explained that over the last ten years masses of research and studies have interrogated the relationship between housing development, property titles, the perceived impact of increased security and independence for the beneficiary. The results, he argued have strongly favoured the notion of a combined structured housing development processes, property titles that are growth prone and the ability of the beneficiaries to convert these structures as a formula for a successful housing cornerstone that can offer independence and security to beneficiaries.
2.5.2 Investing in Housing

In the last section Fahey and Norris (2011) submitted that it is important to distinguish between housing as dwelling that provides shelter and accommodation and housing as an instrument that should be invested in in order for it to provide returns in the future. In the last section Zhang and Wong (2010) presented the notion of social capital. Fahey and Norris (2011) took the argument further by suggesting that state intervention is vital in the creation of social capital through social housing policies.

Van Der Molen (2012) agreed with Fahey and Norris (2011) by submitting that capital, particularly social capital should not be confused with economic capital. He explained that having money in itself does not give the investor higher returns, but rather it gives the investor the same amount of money with interest earned over the period of investment. He explained further that one of the methods of generating higher return on investment is to invest in property. He argued that the return on investment in housing will not only give you a higher return because property appreciates in value but it will also give the investor social returns on the social capital.

Tomaskovic-Devey and Lin (2011) submitted that a few years ago prior to 2008 most people thought that market, especially housing markets are self-regulating, highly disciplined and efficient. These authors explained that there was a perception that Wall Street and its financial regulators were doing a good job in protecting the global financial systems. These authors also submitted that the 2008 collapse of the world financial system, while linked to the housing bubble and risk-laden mortgage backed securities was an indication of the importance of the role that should be played in the housing markets. Fahey and Norris (2011) and Tomaskovic-Devey and Lin (2011) are therefore aligned in acknowledging the complexities that are offered by the housing market with or without the interventions of the state.

Fahey and Norris (2011) concluded by acknowledging that in the diction of housing as a home, and housing as an income generation assets the beneficiaries are able to realise and enjoy the full value of an asset. These authors argued that the beneficiaries of state provided housing are able to be empowered through housing investments initiated on their behalf by the state. Van der Molen (2012) agreed with Fahey and Norris (2011) and submitted that this approach to housing delivery enables the poor and vulnerable who do not yet participate in the formal economy to do so.
2.5.3 The nature of the benefits

Edminston (2012) submitted that normally the intention of the housing policy or legislation is to empower and benefit the specific beneficiaries of low income housing developments, however he argued that it has become clear that such benefits do not only accrue to these targeted beneficiaries but that they also accrue to surrounding neighbourhoods and communities. If these low income housing investments by governments are properly conceived and managed, they could have major positive spinoffs for neighbouring communities.

This trend of investing in housing is supported by Ahiakpor (2008) in the previous section. He agreed with Edminston (2012) that this approach serves to further stabilise neighbourhoods that are characterised as declining and this should be a very strong motivation for governments to make sizeable investments in low income housing development. Van der Molen (2012) agreed with Ahiakpor (2008) and Edminston (2012) that a good example of revived neighbourhoods through investment in housing can be found in the Peru case study where after investment by government in different housing instruments the neighbourhood property values increased three fold and investment in property increased by more than seventy percent.

Fallis (2010) displayed a certain level of dissent from the views of Ahiakpor (2008) and Edminston (2010) by submitting that the focus should not be on housing investment programmes in order to only deal with housing benefits. He argued that the foundation of housing development should be on social policies of government that empower potential beneficiaries through employment, education and training programmes. His argument is that developing these social policies and investment in these programmes will equip and enable the low income beneficiaries to help themselves and reduce the burden of low income housing on the state.

Ye, Song and Tian (2010) suggested that China has achieved many benefits through its housing reforms which commenced ten years ago. These authors discussed that the benefits that have accrued during this period include increased speed in property development and improving the quality of urban houses. But they also acknowledge that there have been some undesirable consequences like the artificial distortion of free market mechanisms. In view of all these submissions Ye, Song and Tian (2010) remained adamant that the housing reforms in China had more benefits that undesirable consequences.
2.5.4 Building a cornerstone

The notion of housing as a cornerstone for development is based on the three sided model of a state, the market and the household. Fahey and Norris (2011) submitted that their notion that the government should assist the potential beneficiaries in owning a home was based on the concept of self-provision of housing as opposed to the provision of houses through the markets. They argued that it is more efficient and cost saving to assist the potential beneficiaries to plan, develop and if possible construct their own dwellings.

Malpass (2008) supported Fahey and Norris (2010) in the above submission of self-managed housing development by potential beneficiaries and owners because it provides people with a higher level of choice about where they would like to live and by extension this determines where their children will go to school and what social amenities will be available to their families. These authors all argued that having the option to choose your neighbourhood and the type of housing development has the benefit to allow the owners and beneficiaries to use such housing a cornerstone for wealth accumulation and increased property value that can be used as collateral to facilitate economic capital growth.

Pickvance (2009) introduced a new dimension for debate regarding the ability of owners and beneficiaries to be involved and make choices about their houses and properties. He suggested that as a cornerstone for development in the United Kingdom, low income housing is expected to comply with very high standards of sustainability when compared to houses that are provided through normal market mechanisms. The challenge, he mused, is low income housing tenants have very little choice or say about their housing. According to the submissions of Malpass (2008) and Fahey and Norris (2010) the argument of Pickvance (2009) provides an opportunity for the state, the homeowner and the market to all converge and play a role in ensuring that housing development is a cornerstone for development.

Malpass (2008) further submitted that the traditional approach of positioning low income housing delivery as a cost to the state and the public purse should be replaced by debates focusing on how low income housing could be changed to become a source of revenue. Malpass (2008) argued that the areas of research that will assist in ensuring that low income housing becomes a revenue generation entity for the state include a mental shift from output driven subsidies to income based housing assistance.
2.6 Housing as a Lever for Change

2.6.1 Wealth Creation through Housing

Landis and McClure (2010) submitted that owning a home has been the cornerstone of state housing policies for over 80 years. These authors argued that homeownership enables households to build wealth and such wealth is associated with positive social and economic capital. These authors further argued that one of the yardsticks that is used by society to measure success and wealth is homeownership. This, these authors argued, is also used by the homeowners’ children to measure the success of their parents, a section that is dealt with later in this section.

Lea (2007) is aligned with Landis and McClure (2010) and posits that most of the time the concept of ownership means that the owner has property control rights which refers to the actual physical possession, management and use of the property and the rights to income that is derived from such property which refers to the rights to transfer and to gain income from such property. He submitted that both these rights of property control and property income are usually bundled together into a single right. He further cautioned that these rights should be kept separate because as a single entity they cannot be used to their maximum value, but independently he suggested that both these rights can be used to create wealth.

Vadas (2009) further developed on the submissions of Lea (2007) and Landis and McClure (2010) in submitting that household wealth attracts many things but prominent amongst the people and things that it attracts are politicians. Vadas (2009) explained that attraction of politicians to household wealth is the perception that their constituencies will assume that their policies have raised the living standards and this will realise more votes for them while policy makers and analysts are attracted to household wealth in order to understand and analyse trends and changes in behaviours of beneficiaries as they acquire wealth through their houses and property especially those provided by the state.

Lea (2007) submitted that while there is alignment of his considerations with those of Landis and McClure (2010) it is important to caution that if the people in developing economies and certain pockets of underdeveloped societies in the developed economies are to benefit from these wealth generating activities associated with housing development, they must reform their property systems and the institutions that support them.
2.6.2 Social Stability

Scally (2012) was supported by Stone (2006) when he submitted that the development of low income housing can have many positive impacts on the individual, the household, the community and the country. These authors both agreed that access to well located, good quality and affordable housing has the ability to improve a pupil's ability to learn and succeed in school, it can assist adults to feel secure in the workplace and maintain employment and it can provide a healthier and communicable disease free living environment for families. Stone (2006) suggested that affordable rental accommodation can reduce the financial burden on the tenant and allow the tenant to invest their money on other significant household needs.

According to Dreir, Mollenkopf and Swanstrom (2004) the development of good quality neighbourhoods even if they are low income communities ensure that the country has a more stable workforce. Good living conditions reduces the incidents and the common causes of stress and absenteeism. These authors argued that well located housing development significantly reduces the high costs of transport both in terms of finance and in terms of employee exhaustion. They concluded by saying that the indirect benefits of well planned, well located low income housing communities, and well executed low income housing delivery are the socio-economic derivatives of a diverse and sustainable society.

Malpass (2008) posited that that the property values and prices play a role in determining the type of neighbourhoods. The ability to pay for good properties and houses has promoted a particular spatial differentiation based on wealth and property values. He argued that the neighbourhood characteristics presented by this spatial differentiation encourages or discourages consumers to consider certain features in the neighbourhood in which they choose to live. He argued that many public goods are funded from taxation and the higher the neighbourhood taxes and levies, the better the services provided and the higher the quality of services will be.

Farrell and Turner (2012) submitted that in order to manage and maintain stability within the community all low income housing delivery plans and initiatives must be driven and supported by the local communities. These authors argued that the local leadership in housing delivery must move closer to the community even if their offices are places within the local communities. These authors argued that this approach will assist in ensuring the appropriate delivery, sustainability and economic viability of housing initiatives.
2.6.3 Socio-economic transformation

Edminston (2012) submitted that the initiatives of the state to revive declining neighbourhoods are underpinned by the structure and level of investment but specifically in low income housing. He argued that these investments can assume the form of housing rectification for single-family houses, construction of houses for individually owned and occupied housing, and the rehabilitation of rental housing. Many of these investments, he argued, are sources from the private sector, governments and the non-governmental organisations.

There is alignment between Edminston (2012) and Wang (2011) as he explained that the role of governments in housing renewal activities has become much more complex and highly sophisticated because the role has changed from that of being a provider of housing towards being a regulator of the quality of houses, a monitor of legislative compliance and mediator of competing social interests in housing rehabilitation and urban renewal.

The thinking of Aurand (2010) was very much aligned with Edminston (2012) when he submitted that the low income households are heavily reliant on the rental accommodation to satisfy their shelter needs. He further suggested that primarily because low income rental accommodation is usually of lower quality, then the opportunity for increasing economic capital is also diminished. He argued further that even the quality of units offered through state assisted housing programmes is significantly lower than units offered through the free property market systems. He concluded that sometimes the predicament is that offering a better quality housing product means that the rent and levies will increase so then the discussion moves from low income housing towards a full market instrument.

Freeman (2008) submitted that in most developing countries including South Africa the complications and sophistications of socio-economic development are compounded by the fact that these countries embark on international neo-liberal economic growth paths at the infancy of their welfare focused domestic economic policies. The international neo-liberal economic paths, he argues, place added burdens on these developing countries to comply with their treaties and the requirements of global financial institutions controlling the global economies.

For some developing economies Freeman (2010) submitted further complicates the opportunities offered by the low income housing markets for socio-economic growth.
2.6.4 Intergenerational Wealth

Van Gent (2009) introduced an interesting argument when he submitted that housing can be used for non-housing purposes. He argued that this trajectory to housing development and management would require a cautious mental readjustment. He argued that this mental adjustment can only be successful if it is led and managed through political debates, availability of housing options and relevant institutions to support the outcomes.

The submissions of Kell (2008) were in agreement with Van Gent (2008) because Kell (2008) submitted that in the mental shift that is required to view housing for non-housing purposes a certain level of literacy and scholastic exposure is required. She argued that this type of thinking about the literacy level which would support visionary thinking amongst low income housing beneficiaries have not started to impact on the decision making process of policy developers and governments in developing economies.

Malpass (2008) presented Figure 1 below which was interpreted by Van Gent (2009) where the UK provided an example in which intergenerational wealth can be achieved through heritage of individual successes.

**Figure 1 Summary of Lever of Change adapted from Malpass (2008) and interpreted by Van Gent (2009)**

**UK: Lever of change**

Malpass (2008) and Van Gent (2009) were in agreement that this model of promoting intergenerational wealth has removed some of the welfare burdens from the state and turned housing into a revenue generating entity through inherited rental opportunities.
2.7 Conclusion

Based on the literature review conducted in this Chapter, it would appear that South Africa as a state is straddling between being a welfare and developmental state. It would appear that from the literature South Africa might be a welfare state with a strong developmental agenda or it might be a development state with strong elements and initiatives of a welfare state. In this literature Van Holdt (2010) introduced another dimension of an intermediary state which appears to be a state which is neither a developmental nor a welfare state but a state that is undergoing transformation. In the intermediary state he submits there is obligation on the state to assist its poor and vulnerable while engaging on a developmental agenda that will allow the state to be economically competitive.

In this chapter housing is depicted as a wobbly pillar based on the on-going argument whether housing should be a public service provided by the state or it should be left to the forces of the free market economy. Furthermore the challenges posed in the provision of low income housing by the state, the affordability of housing, and the negative perceptions regarding housing were explored in this chapter. It was interesting that Martens (2009) referred to the First World War era as having been the genesis of low income housing challenges.

In this chapter housing is also presented as a potential cornerstone for development. The themes that were presented by the literature in this regard included the security of tenure, investing in housing, the nature of benefits presented through low income housing development and building a cornerstone. Zhang and Wong (2010) introduced a concept of social capital and that of economic capital which should play a role in guiding the debate of housing as a cornerstone.

Finally in this chapter housing is presented as a potential lever for socio-economic change. The themes that were explored included housing as a wealth creating entity, social stability, socio-economic change and intergenerational wealth particularly the United Kingdom experience. What was interesting in this regard was the convergence of ideas between Malspass(2008) and Van Gent (2009) on the potential of low income housing delivery to reduce the welfare on the state.

Based on the foregoing literature review the next chapter will present the research questions of this study.
CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

The previous chapter presented the literature review from which the significant research questions emanated. This chapter presents the research questions on which semi-structured interviews were based. To this end, the following research questions were posed:

3.2 Research Question 1: The State

Is South Africa welfare or a developmental state?

The literature in chapter two explored a developmental, welfare or intermediary state. The objective of this question is to find out how the low income housing policy developers and implementers view South Africa.

3.3 Research Question 2: Housing as a Wobbly Pillar

Is the South African low income housing policy a wobbly pillar of the state?

The literature in chapter two presented four themes that emanated from the concept of housing as a wobbly pillar. The objective of this question is to find out whether the low income housing policy developers and implementers in South Africa view the low income housing policy as a wobbly pillar.

3.4 Research Question 3: Housing as a Cornerstone

Is the South African low income housing policy a cornerstone of the state?

The literature in chapter two presented four constructs that explored housing as a cornerstone for development. The objective of the question is to find out whether the low income housing policy developers and implementers in South Africa view the low income housing policy as a cornerstone for development.
3.5 Research Question 4: Lever for Change

*Is the South African low income housing policy a lever for socio-economic change for the state?*

The literature in chapter two presented four themes that are contained in the debate that housing can be a level for socio-economic change. The objective of the question is to find out whether the low income housing policy developers and implementers in South Africa view the low income housing policy as a lever for socio-economic change and transformation.
CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction and Purpose

The previous chapter presented the research questions and the objectives of those questions. The chapter outlines the research methodology that was used in this study to explore further the research questions that were presented. Denzin and Lincoln (2005) submit that exploratory research must be conducted where very little is known in general about the problem under investigation. This study was therefore exploratory in nature and this is reflected in the research methodology, design, sampling and data analysis.

Saunders and Lewis (2012) suggest that exploratory studies require that general information must be understood in order to better understand why a particular occurrence happens, to seek new ideas, insights, explore new questions and view the research questions in general and the research topic in particular in a new light.

4.2 Research Method and Design

The objective of this study was to determine whether the South African low income housing policy (the Policy) is a wobbly pillar, a cornerstone for development or a lever for socio-economic change. Malhotra (2010) submitted that the underlying objectives of a study must inform the research design to be used. Data was collected from the government officials, housing institutions officials, local government officials and non-governmental officials who are responsible for the development and implementation of the Policy. Hart (2005) suggested that the sample and its focus area is important in determining the methodology and design of the study.

The study focused on the observations, perceptions and available information, it is a well-known fact that during the period at which this study was being undertaken, the national political head of the Department of Human Settlements was recalled and replaced by a new political head. As a result of these developments, the targeted individuals were sceptical and information was difficult to access. This study accommodated these developments and dynamic consequences of the state by using an appropriate research methodology in extracting such information as suggested by Saunders and Lewis (2012).
As submitted by Agee (2009) a probing technique was used. When the researcher identified areas of further exploration the probing technique was valuable in that further interrogation took place and the researcher used follow-on questions to gain deeper insights and understanding of the participants’ responses. The researcher was cautious in this approach not to antagonise the participants.

Saunders and Lewis (2012) cautioned and recommend that participants must be requested to sign consent forms before they were interviewed. They acknowledge that in certain instances such requests may not be acceded to. In this study all participants consented but ten out of sixteen participants signed consent forms. With the exception of four participants all the participants were senior state employees with access to documents classified as secret and therefore requested that their responses be kept confidential and not be shared publicly. Two of the participants requested to respond in their vernacular language. Hart (2005) explained that part of answering the research questions is largely dependent on using an appropriate research methodology and techniques and the appropriate language is one of them.

4.2.1 Rational for Research Method: Exploratory Research

Based on the findings from the literature review, in this study the most adequate research methodology was exploratory using qualitative techniques which included semi-structured interviews to answer fundamental research questions. Boyce and Neale (2006) suggested that it is important to set down rules, guidelines and parameters that will guide the interview process. As stated above even though a qualitative technique was used in this study which permitted the researcher to probe and create follow-on questions an interview guide was developed.

4.2.2 Qualitative Techniques

Maholtra (2010) suggests that qualitative techniques should be used when the research sample is relatively small and the objectives of the researcher are to gain insights into the questions. In this study, the qualitative techniques approach was relevant since the sample was small and the objective of the researcher was to gain insight. According to Denzin and Lincoln (2011) qualitative researchers are more interested in social themes and how the experiences of the society at all levels can be used and interpreted to create meaning. They suggest that the relationships between the units of analysis and people affected can be analysed through qualitative techniques.
4.2.3 Research Process

The research process involved a three phase approach. As depicted in Table 4.1 below, the research process was divided into Phase one which involved the research and analysis of available literature in this area, Phase two which involved the development of research questions, identification of participants and development of relevant questions, and Phase three which involved the actual interview process with participants.

Table 4.1 The Research Phases

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Literature review based on peer reviewed articles mostly from journals</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Development of research questions</td>
</tr>
<tr>
<td></td>
<td>Identification of potential participants</td>
</tr>
<tr>
<td></td>
<td>Development of all appendixes for the interview</td>
</tr>
<tr>
<td>Phase 3</td>
<td>Interview process</td>
</tr>
</tbody>
</table>

4.3 Population

Zikmund (2003) submits that a population is a group of people, entities, instruments that share some set of characteristics. The population, for this study consisted of a group of four types of people who share the common characteristics of being players in the low income housing field in South Africa.

The population that was relevant for this study were divided into four groups. It was the senior government officials who are responsible for the South African low income housing policy development, senior housing institutions officials who are responsible for capacitating the main stream housing department to deliver housing according to the mandate from the constitution, the senior local government officials who are responsible for the implementation of the Policy and non-governmental organisations who are responsible for advocacy in the South African low income housing sector.

The population was selected carefully and the researcher ensured that each participant had more than ten years’ experience in the housing field, and that they were involved in the development, implementation of housing and housing advocacy. It was important to choose participants who are still involved in the South African housing sector as they would be able to have exposure to the recent debates around housing. It was also important for this study that the participants occupied senior positions of accountability for housing development and implementation in their organisations.
4.4 Sample

4.4.1 Sample and Size

In line with the submissions of Hart (2005) this study used non-probability, purposive, sampling techniques aligned to the sampling techniques in qualitative studies. In view of the potential number of participants who qualified for this research a selection criterion was developed and used to target certain individuals and participants. Initially the researcher had targeted participants from all nine South African provinces in order to obtain a balanced view and responses of the research questions. Due to geographical constraints, time and financial constraints it became impossible to cast the research sample that wide.

The positions of the individuals targeted with the housing field in South Africa contributed to the bias towards targeting them. While there were specific individuals and participants who were targeted, their time and availability eventually dictated whether or not it would be possible to engage with them. There were other impediments which will be discussed later in this section under limitations, most of the people targeted were senior government officials and as such they had signed secrecy and confidentiality agreements and were uncomfortable in participating in this research process. Finally only the participants who were available and who were part of the targeted entities were interviewed.

In order to make contact with the targeted participants an exercise was undertaken to obtain email addresses and relevant contact details of targeted participants in order to introduce the researcher to the potential participants and secure timeslots. One of the participants was a member of the MBA Modular class and the interview with him was conducted on the GIBS premises. Some of the participants were unable to meet during the scheduled time and the interviews were conducted telephonically which robbed the researcher the ability to note non-verbal gestures and mannerisms during the interview.

Sixteen participants were targeted and themes, constructs and pillars were identified from their responses. Schlange (2006) in his saturation methods submitted that in certain instances after a certain number of interviews, certain similar if not identical theses and constructs emerged, he suggested that conclusions may be drawn that further interviews would have had the same results. The reason for using purposive sampling method for this study is that the sample has many spheres and levels as depicted below:
4.4.1.1 Four government employees responsible for policy development and the housing budget;

4.4.1.2 Two chief executive officers, including one board member and one senior of official from housing institutions;

4.4.1.3 Three organisers, one chairperson and one consultant of non-governmental housing organisations;

4.4.1.4 Three municipal managers and one municipal head of housing who are all responsible for the implementation of the low income housing policy.

4.5 Unit of Analysis

According to Zikmund (2003) suggests that a unit of analysis is a single entity or a group of entities subject to selection in the sample. The perceptions of the government housing officials and organisers of housing non-governmental organisations formed the final units of analysis for this study. This conclusion was reached during the data analysis aspect of this study and related directly to how housing officials and housing advocates define and analyses the South African low income housing policy.

4.6 Data Collection – Instrument and Design

4.6.1 Data Collection Instrument

Semi-structured interviews were used and considered an appropriate instrument of data collection because of its applicability and ease of use in studies which require new and detailed information as suggested by Boyce and Neale (2006). Semi-structured interviews were guided by pre-formulated questions. White (2009) suggests that there is a need for structured and good interview questions in a study of this nature so the researcher developed the interview questions whose primary objective was to elicit as much information as possible. The interview questions are attached herewith as Appendix B.

Agee (2009) argues that the skill and competence of the interviewer impacts the research results in a qualitative research. With the permission of the participants, some of the interviews were recorded. Interviews were conducted both telephonically and face-to-face in a mutually-suitable venue. The non-verbal responses were recorded.
The interview questions were open ended and focussed on gathering as much information and data as possible about the perceptions of the participants, the relationships of the participants with the Policy and the factors that might contribute to the perceptions presented. While the interview questions were open ended, a probing approach was used in order to allow new questions to emerge from the discussions.

As suggested by Saunders and Lewis (2012) the interview guidelines were pre-tested on three individuals who were deemed to be similar to the target sample. These individuals were requested to give back on the level of focus of the questions, the answerability of the research questions posed, and open endedness of the research questions. The simple design of the interview guidelines and the first question of the interview guidelines were used to make the participants comfortable and open up dialogues and the use of personal experiences and perceptions in the responses to the questions.

The changes that were recommended during the pre-test phase were implemented and a final set of guidelines were submitted to the individuals who had given feedback initially. The results of the pre-test offered the researcher an opportunity to amend the interview questions according to relevance, focus and clarity. One of the recommendations from the pre-test participants was to define new terms for the sample but allow them the latitude to differ with the given definition. This feedback gave the researcher an opportunity to understand the responses of participants from a common set of commonly defined questions while allowing them to suggest new ways of thinking and viewing the same problems. According to Zakmund (2003) a pre-test is conducted to ensure that the level of difficulty that might be encountered by targeted participants is minimised and any ambiguity and bias is also reduced.

Apart from the themes obtained from the literature review in chapter 2, the following constructs were posited during the interview process:

- Social relevance of the Policy
- Perceived ease of use of the Policy
- Perceived usefulness of the Policy
- Perceived risks related to the Policy
- The level of complexity of the Policy
4.6.2 Data Collection design

As indicated in the above section, semi-structured interviews were conducted for this study. The following questions were rephrased from the research questions that were presented in Chapter 3.

*Low Income Housing*

What is the mandate of your organisation in the context of the low income housing policy of South Africa?

Would you say that there is progress in terms of the mandate of this institution?

*The State*

In your opinion, is South Africa a welfare state or a developmental state?

Do you think that the low income housing policy is relevant in the context of South Africa as a welfare state or a developmental state?

*Housing as a wobbly pillar*

In the South African context, do you consider the low income housing policy presents a wobbly pillar of the state?

Would you say that the low income housing policy has achieved much in South Africa 19 years into the democracy?

*Housing as a cornerstone for development*

What are elements of the South African low income housing policy that make it a cornerstone for development? If you do not think it is a cornerstone, kindly share your views.

*Housing as a lever for socio-economic change*

Is the South African low income housing policy capable of creating wealth across generations?

In your view, does the South African low income housing policy contribute to the socio-economic growth of South Africa?
4.7 Data Analysis

Rudestam and Newton (2001) suggest that reducing data collected into manageable sections for the interpretation is more logical in research studies. Hart (2005) agree with this submission and he suggests that data collection and analysis in a qualitative study is a process which is iterative. Denzin and Lincoln (2011) explained that once the research has reduced the data into manageable sections, it is important for the researcher to map out common themes from the responses of participants or data collected.

In keeping with the goals of qualitative study to develop insights and obtain deeper levels of understanding of the phenomenon, the data analysis phase was dynamic and critical. There is no agreement in the research methodology field on how to conduct, analyse and report on qualitative data, some scholars like Rudestam and Newton (2001) suggest that the research must analyse data into themes and emerging constructs immediately after the interview.

While Rudestam and Newton (2001) suggest common themes and constructs, Denzin and Lincoln (2011) suggest that it is important for researchers not to neglect unique trends and characteristics that emerge during the data collection process. They argue that to over emphasise the common themes would result in the loss of depth and level of richness of each response.

In this study the data collected was in the form of notes taken by the researcher and voice recordings where permission was granted. This data which was stored in voice recordings was transcribed and the transcripts were organised around themes and unique emerging characteristics. One of the new terms that emerged was that of a “slippery pillar” as opposed to a wobbly pillar that the research had provided. In keeping with the suggestions of Denzin and Lincoln (2011) this characteristic was not ignored.

While the process outlined as having been undertaken in this study was suggested by Rudestam and Newton (2001), it was also supported by Silverman (2011) when he submitted that data reduction is important the a qualitative study in order to simplify the process of data analysis. Quotes that were representative of the emerging themes and constructs were identified during the data analysis phase and were used to combine, relate and create divergence amongst the themes that were emerging. Kirkwood and Walton (2010) followed the same method which helped to expose the richness and value of qualitative research.
4.8 Data Reliability and Validity

Saunders and Lewis (2012) define reliability as data collection methods and analysis strategies that would most likely produce similar and consistent results. In this study data reliability was achieved through the development and use of standard interview guides. Even though the probing technique was used, but the interview guide controlled and dictated the parameters and guideline for the interview in order to ensure consistency.

Boyce and Neale (2006) suggest that there are many challenges that are presented by qualitative research design using semi-structured interviews which include the bias of the respondents, the competence of the interviewer and the potential element of generalisation by one sector of the population over another. In this study the interviews were conducted in the presence of participants from the non-governmental organisations and those from the local government in order to ensure consistency, alignment and divergence of views and responses.

According to Tharenou, Donohue and Cooper (2007) validity consists of internal and external validity. They argue that internal validity can be achieved by the correct interpretation of results without bias while external validity can be achieved by taking multiple views so that the researcher does not generalise the views of one group of the population over another. In this study, internal validity was achieved by making every attempt to interpret the results and responses of the participants correctly without any bias, as recommended by Tharenou et al (2007) and external validity was achieved through multiple interviews of respondents at the same time to attempt the successful elimination of generalisation of one group by the other.

4.9 Confidentiality and Anonymity

The ethical approval was obtained from the Gordon Institute of Business Science (GIBS) In June 2013. In accordance with the GIBS ethical approval, the names and identities of the participants were withheld. As it is apparent in Chapter 5, the participants are referred to by codes. In order to ensure anonymity, the digital recordings of the interviews and the transcripts of the interviews were kept confidential by the researcher. They will be submitted to GIBS as required by the research report submission protocol. In order to ensure the continued anonymity of the participants, if this research study is to be published, no names or identities of the participants will be revealed.
4.10 Limitations of the Research

The potential limitations of this study include:

- **Time Constraints** - Due to the amount of time that was required to conduct the interview, the number of interviews were limited, however as submitted by Maholtra (2010) and Kirkwood and Walton (2010), after sixteen interviews similar themes were emerging so it is reasonable to conclude that had time permitted the research to conduct further interviews then there would have been no major changes in the interviews.

- **Geographic location** – Due to the vast geographical area of South Africa as a country and the expense of conducting interviews in all nine provinces, the research was limited to one province only. The research was conducted in Kwa Zulu Natal. While it might have been the largest province in South Africa, it topography is predominantly rural in nature and certain urban dynamics in the low income housing development might not have been explored fully.

- **Political Atmosphere** – Due to the fact that a month before the interviews were scheduled, there was a South African cabinet reshuffle and the former Minister of Human Settlements was replaced by a new Minister. The senior human settlements officials who were targeted as participants in this study were greatly intimidated by this change and as a result withdrew from participation in this study.

- **Telephonic Interviews** – While this study used both face-to-face and telephonic interview, the limitation from telephonic interviews was based on the inability of the researcher to make notes on the non-verbal behaviours of participants.

4.11 Conclusion

The objective of Chapter 4 was to present the research methodology that was used in this study. It presented the Research Method and design which included the rational for the research method, the techniques used, the research process followed, the population and sample size, the unit of analysis, data collection and analysis, the validity and reliability of data. It made reference to the confidentiality and anonymity of the data gathered and information moved. A brief discussion of the limitations encountered was presented. The next chapter will present some data gathered during the data collection process.
CHAPTER 5: RESULTS

5.1 Introduction

The previous chapter outlined the research methodology that this study used to answer the research questions outlined in chapter 3. This chapter will present the demographics of the participants and the findings of the interviews. The analyses of the findings are comprehensively discussed in chapter 6.

5.2 Demographic Profiles of Participants

Sixteen interviews were conducted for this study. Two participants were from the National Department of Human Settlements and two were from the Provincial Department of Human Settlements. Three participants were Municipal Managers and one was a Head of Housing. Two executives were interviewed from housing institutions that included one Board member and one senior official. Three participants represented the NGO sector while one was thought leader and concept developer in the housing field.

The demographic information of participants is contained in Table 5.2 below. The participants requested confidentiality and their names have been withheld and replaced with codes.

Table 5.1 Overview of Participants’ Profiles

<table>
<thead>
<tr>
<th>Interviews per category</th>
<th>National &amp; Provincial Government</th>
<th>Housing Institutions</th>
<th>Municipal Managers</th>
<th>Housing NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews conducted</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Rural vs. Urban</td>
<td>Both</td>
<td>Both</td>
<td>- 2 Urban</td>
<td>Both</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 2 Rural</td>
<td></td>
</tr>
<tr>
<td>Participants’ Positions</td>
<td>- 2 Policy Developers</td>
<td>- 2 CEOs</td>
<td>- 3 Municipal Managers</td>
<td>- 2 Organisers</td>
</tr>
<tr>
<td></td>
<td>- 2 Senior Officials</td>
<td>- 1 Board Member</td>
<td>- 1 Head of Housing</td>
<td>- 1 Chairperson</td>
</tr>
<tr>
<td>Experience</td>
<td>+ 10 years</td>
<td>+ 10 years</td>
<td>+ 10 years</td>
<td>+ 10 years</td>
</tr>
<tr>
<td>Influence</td>
<td>- Policy Development</td>
<td>- Capacity Building</td>
<td>- Policy Implementation</td>
<td>- Monitoring</td>
</tr>
<tr>
<td></td>
<td>- Budget Allocation</td>
<td>- Accelerate delivery</td>
<td></td>
<td>- Advocacy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Capacity</td>
</tr>
</tbody>
</table>
5.3 Overview of Participants and Their Roles

In chapter 4, it was indicated that the selection process of the participants was crucial and the following sections provide a brief description of the participants.

National Housing Official 1 (NHO-1)

The NHO-1 has been employed with the National Department of Human Settlements (NDHS) for just over three years. He is the ultimate authority for housing policy and is accountable for all housing related matters in all provinces in South Africa. He has been in the housing sector for more than a decade. The mandate of the NDHS is to develop and administer the South African low income housing policy.

National Housing Official 2 (NHO-2)

The NHO-2 has been in the housing sector in South Africa for 10 years. He was involved in the administration and policy roll-out of the South African housing policy between 1994 and 2004. He was intimately involved in the Breaking New Ground Housing Strategy in 2004. He operates from the NDHS and is based in Pretoria. The mandate of his business unit is to develop and review policies for approval by the politicians.

Provincial Housing Official 1 (PHO-1)

The PHO-1 has worked as a regional manager for the Kwa-Zulu Natal Department of Human Settlements (KZNDHS). He has worked in an urban setting of housing and he has also been exposed to the most rural housing settings in the country. He is currently the senior general manager responsible for housing development in the Mpumalanga Province in South Africa.

Provincial Housing Official 2 (PHO-2)

This PHO-2 has worked as a Macro Economic Professor and academic for the past 20 years. His background is in Town Planning and Development. He is a member of the Kwa-Zulu Natal Rental Housing Tribunal.


Housing Institution Official 1 (HIO-1)

The HIO-1 has been in the position of a CEO for two years. His previous operation in housing involved being a Chief Operations Officer for a provincial Department of Human Settlements (PDHS) and being the Head of the same Department. He was a member of the Ministers and MECs portfolio at the National Housing Department. In Gauteng he was a member of the technical Executive Council (Cabinet). The mandate of the institution represented by HIO-1 is regulation and management of compliance with home building national standards.

Housing Institution Official 2 (HIO-2)

The HIO-2 has been in the position of a CEO for three years. He is an economist by training with specific focus on local and rural economic development. His area of operation in the housing sector is the development of funding instruments of all rural housing development requirements in South Africa. His role spans across all nine provinces in South Africa.

Housing Institution Official 3 (HIO-3)

The HIO-3 has been a board member of a housing institution from inception in 2010. She has recently been reappointed in this position for the next three years. Her background is in major housing projects development and construction. She has worked at Provincial and Municipal levels of government in resolving housing issues and has unblocking congested housing development projects. The mandate of her current institution is to regulate and to invest in social housing programs.

Housing Institution Official 4 (HIO-4)

The HIO-4 is employed as an investment manager. He has been in this position for over five years. His background is in banking and investment finance and he is responsible for the development of viable social housing development plans. HIO-3 and HIO-4 belong to the same housing institution.
Municipal Manager 1 (MM-1)

This MM-1 has worked in the public sector for over fifteen years. His exposure to housing development has been in the level of municipalities. He worked as a municipal manager for a rural Municipality in the south midlands of Kwa-Zulu Natal for five years. He worked as the advisor to the MEC for Local Government and Housing in Kwa-Zulu Natal for two years and he currently works for a large urban municipality in Kwa-Zulu Natal.

Municipal Manager 2 (MM-2)

This MM-2 has worked in the public sector for over fifteen years. His exposure to housing development has been in the level of municipalities. He worked as a municipal manager for a small rural municipality for five years. He currently works for another small rural municipality in Kwa-Zulu Natal which is in the deep rural south midlands. He is responsible for housing planning and housing project implementation within his municipality.

Municipal Manager 3 (MM-3)

This MM-3 has worked in the public sector for over fifteen years. His exposure to housing development has been at national and municipal levels. He worked with the EThekwini Municipality and had a career of over fifteen years at the National Department of Local Government. He is currently working for Dundee municipality in Kwa-Zulu Natal which is in the deep rural north midlands of the Kwa-Zulu Natal province. He is responsible for housing planning and housing project implementation within his municipality.

Head of Housing 4 (HH-4)

This head of housing is responsible for a very vibrant and well known municipality on the south coast of Kwa-Zulu Natal. He has been in the housing sector for the past twenty years. In his current portfolio he is responsible for all housing planning and development.

NGO Chairperson 1 (NGO-1)

The NGO-1 has been the Chairperson of this housing NGO for the past 10 years. He started as an organiser of people living in slum areas. He mobilised and advocated for better housing for all slum dwellers. He currently works for the University of Kwa-Zulu Natal and...
other international housing funders. His organisation was responsible for the demonstrations in 2006 at the World Urban Forum in Vancouver, Canada against certain housing developments that included the Eradication of Slums Act in South Africa.

NGO Organiser 2 (NGO-2)

The NGO-2 has been an organiser of this housing NGO for the past 20 years. She started the NGO as a money saving scheme for women who were living in inadequate accommodation. They lobbied government into a partnership with them. They signed a service level agreement with government in 2007. The service level agreement contained governance frameworks for the joint use government and own-saved funds, prioritization of well-located land and assistance with housing planning approvals and township establishment.

NGO Organiser 3 (NGO-3)

The NGO-3 has been an organiser of this housing NGO for the past 22 years. She started the NGO as a voice all the poor people who lived in urban squalor. The first funding for this organisation was raised by the first Minister of Housing in South Africa – Joe Slovo. This funding was called “Utshani Fund”. This organisation continues to lobby government to deliver on the promises made by Minister Joe Slovo on this fund before his death.

The Consultant 1 (C1)

The C-1 has over 10 years’ experience in housing policy, development and monitoring. He has worked for the Department of Local Government and Housing in Gauteng. He worked as an advisor to the Minister of Housing from 2005 until 2010. He was instrumental in the conception, the development and the initial running of the Housing Development Agency. He has conducted various researches in the housing field and is currently a Ministerial Advisor to the Minister of Public Service and Administration.

As submitted in chapter 4 of this study, the sample was carefully and purposefully selected from the South African low income industry in order to gain more insight and obtain a deeper understanding of the research questions from their responses.
5.4 Analysis of the Responses from the Participants

The last section described the data collected from the participants in terms of their background and mandate of their organisations. Table 5.2 is a matrix of responses from the participants and it is attached as an annexure. These responses are discussed further, according to the Research Questions submitted in Chapter 3.

Table 5.2 Response matrix of participants

<table>
<thead>
<tr>
<th>Participants</th>
<th>NHO 1</th>
<th>NHO 2</th>
<th>PHO 1</th>
<th>PHO 2</th>
<th>HI 1</th>
<th>HI 2</th>
<th>HI 3</th>
<th>HI 4</th>
<th>MM 1</th>
<th>MM 2</th>
<th>MM 3</th>
<th>HH 1</th>
<th>NGO 1</th>
<th>NGO 2</th>
<th>NGO 3</th>
<th>C 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Mandate on South African Low Income Housing Policy</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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Adapted from Kirkwood and Walton (2010) (x-No, ✓-Yes)

5.5 Research Question 1 Responses

5.5.1 Introduction to Research Question 1 Responses

Eleven out of sixteen respondents identified South Africa as a developmental state. Five of the participants identified South Africa is a welfare state. What was interesting was that amongst the participants who identified South Africa as a welfare state, a significant number was doubtful. This study found that of the 16 participants, 32% percent identified South Africa as a welfare state, while 68% identified South Africa as a developmental state, and of that 68%, 37% described South Africa as a state in transition that can neither be classified as a developmental state nor as a welfare state. This study identified three themes under this research question which are presented below.
5.5.2 South Africa as a Welfare State

37% of the participants answered that South Africa is a welfare state. 20% of the participants who believe that South Africa is a welfare state stated that while the structure and delivery of public services at National, Provincial and Local levels government indicates that these three spheres of government are autonomous and independent of each other, the policies of the national level of government which are welfare in nature play a big role in the determination of the type of policies the other spheres of government will execute.

One particular participant stated that “with regard to housing development, for instance, the national government only has the legislative competence. If the provincial and local spheres of government are expected to align with the policies of the national government, then if these policies are welfare in nature then the entire country will become a welfare state.” All 37% of the participants cautioned that it might have been too early after democracy that South Africa positioned itself as a developmental state and perhaps it should have identified itself as a welfare state for at least three decades and gradually moved towards being a developmental state.

30% of the participants who identified South Africa as a welfare state revealed their conviction that South Africa positioned itself as a welfare state purely for political reasons. They argued that South Africa is a very young democracy which is still trying to heal the wounds of the apartheid regime and the government wants to position itself as a saviour and protector of the poor and vulnerable. One participant stated that “it serves the government and politicians better if we become dependent on that the state so that it would do everything for us. The bad thing is that sometimes the politicians use the welfare benefits as tools for electioneering and re-election.”

All 37% of the participants suggested that it serves the government and politicians well to have people dependent on them. At least 15% of these respondents said that in the context of so many welfare policies, government is not serious about empowering the previously disadvantaged people and making them independent. They argued that the empowerment and independence of the society will mean that there is no need to depend on the welfare services provided by the government and the government power and level of discretion over policies will be greatly reduced. One participant said “Oh yes we are a developmental state because of the nature of our policies, and government’s ability to manipulate the citizenry through its welfare policies and institutions”
5.5.3 South Africa as a Developmental State

68% of the participants were convinced that South Africa is a developmental state. One of the participants answered “South Africa is a developmental state. Domestically you have to look at the National Development Agenda of 2011 to understand that we are a developmental state. The focus of the National Development Plan is on leadership capacity, institutions and public participation in setting the national development agenda. On the global front South Africa is a member of the G8 and BRICS nations. It has positioned itself seriously as a developmental state.”

Out of the 68% participants who identified South Africa as a developmental state, 50% of those stated that they understand why other people may think that South Africa is a welfare state. This 50% suggested that it is because of the type, the nature and the extent of government interventions e.g. free education for 90% of the public schools in South Africa, free health care for pregnant women and children under the age of six, the social grants for all qualifying children under the age of eighteen, free drugs for people infected by HIV and AIDS and indeed the subsidised housing scheme in terms of the South African low income housing. However, having acknowledged that fact, 68% still believed that South Africa is a developmental state.

Out of the 68% participants who identified South Africa as a developmental state, at least 40% made reference to the South African constitution in this regard. The latter participants indicated that the contents and nature of the constitution is developmental. They argued that the South African constitution is ranked amongst the best in the world in terms of its democratic and developmental nature. One of the participants stated “This constitution is very developmental even in terms of the Bill of Rights. Some developing countries have not reached the level of acceptance and accommodation in terms of these rights, particularly the gay rights. We were amongst the first in the world to legally allow gay marriages. This is an example of a state that listens to its people and enacts supporting policies and legislation according to the mandate of the people”

One participant who is a former government employee who is now an independent housing consultant stated “During my days as a civil servant I firmly believed that South Africa is a developmental state but now that I have the luxury not to comply with a particular agenda I am beginning to have doubts”. This introduced a new character of a state that had not been specifically covered in the research questions, the intermediary state.
5.5.4 Intermediary State

Of the 68% participants who identified South Africa as a developmental state 37% showed a particular bias towards South Africa being an intermediary state. In terms of the research methodology this presented a unique and new characteristic that had to be captured because disregarding it would result in the promotion of the researcher’s views rather than those collected in terms of this study. One of the participants stated “Look, South Africa associates itself with Brazil, Russia, India and China and they have a similar developmental agenda. These countries cannot be called welfares states neither can they be referred to as developmental states, they are countries in transition and emerging economies.”

The 37% participants who were proponents of South Africa being an intermediary state suggested that while South Africa may be a developmental state, it needed to inculcate features of a welfare state especially during its transition from an apartheid state where its citizens were divided and public services segregated according to racial lines. One of these participants stated that “In the past nineteen years one participant argued that it was relevant for South Africa to adopt these welfare state attributes in order to uplift the previously disadvantaged members of the society and bring them to the same starting line and level as the previously advantaged members of the society.” He argued therefore that South Africa has features of both types of states.

All 37% of the participants submitted that in order for the South African state to close the inequality gap, there is a need to produce welfare policies that will create a safety net for the poor and vulnerable while embarking on policies that should not condemn South Africa’s poor and vulnerable to perpetual dependency on the state but that these new policies should be developmental in nature. When they were probed as to how long they thought the process of becoming a fully-fledged developmental state would take, they were all unsure.

5.5.5 Conclusion of Research Question 1 Responses

In conclusion therefore 32% of the participants identified South Africa as a welfare state, 68% of the participants identified South Africa as a developmental state, and 37% suggested that South Africa is an intermediary state. One participant concluded by saying “It is less important to discern the state of South Africa as a welfare or developmental state, South Africa should just be cautious of the unintended consequences of addressing one sector of the society while completely neglecting the impact of these policies on the other sectors of the society.”
5.6 Research Question 2 Responses

5.6.1 Introduction to Research Question 2 Responses

75% of the participants did not consider the South African low income housing as a wobbly pillar while 25% considered it a wobbly pillar. A number of themes emerged out of the responses of the participants. These themes were housing affordability by the low income group, inefficiencies of state provided housing, negative perceptions on low income housing and the role of markets in the South Africa housing context.

5.6.2 Housing Affordability

75% of the participants stated that the South African low income housing cannot be viewed as a wobbly pillar as it is the sole mandate of government to provide. They submitted that there should be no confusion in this regard because “our history as a country ensured that a large part of the population cannot afford houses. Without government intervention, the gap between those who can afford housing and those who cannot afford it will grow and that will lead to social unrest”.

25% of the participants while admitting that the South African low income housing was relevant for South Africa due to the historical challenges, they however stated that this policy is a wobbly pillar of the state because of its unintended consequences. They submitted that the policy has very noble intentions, however the inconsistencies in its application and the ambiguous nature of some of its provisions have perpetuated the problem of housing affordability.

The participants from local government formed 25% percent of the sample. All 25% concurred that while the South African low income housing policy is still relevant nineteen years after democracy, however it is a wobbly pillar in the manner in which it is structured. One participant sated “As we work directly with the communities, we know what the people want. The Councillors are at local government level and they interact daily with the people on the ground. There is no wisdom in making policy development the sole competence of the national government because by the time it gets to us it is diluted by interpretation.

One participant stated that “the wobbliness of the South African low income housing policy perpetuates the problem of housing affordability by a large majority of the South African population.
5.6.3 Inefficiencies of State Provided Housing

As indicated in the previous section 25% of the participants viewed the South African low income housing policy as a wobbly pillar. One of the participants introduced an interesting angle by making reference to a “greasy pillar” rather than a wobbly pillar. The participant stated that “Look, there’s a huge investment in that billions of rands over the years have been pumped towards housing by the state and the benefits that have accrued to the households are enormous. We’ve transferred huge amount of land through this housing program, we’ve ensured that shelter is available to those households that quality but in all honest there are major inefficiencies within the state that make the policy a greasy pillar. Yes it is a pillar alright but a very greasy one which makes it difficult to carry and deliver”

The participants from the non-governmental organisations were part of the 75% that stated that the South African low income housing policy is not a wobbly pillar. 100% the non-governmental participants stated that the South African low income housing policy is open to abuse and the state is unable to monitor its implementation. They said that the delivery of housing in the country has become a political hot potato which is used to get votes from the constituencies. One participant stated “Mina I can tell you about here eKennedy Road informal settlement, the Councillor will only allocate a house to you if you are a card carrying member of his organisation. I blame this on the policy because the allocation policy is not clear but where it is clear, no one is monitoring its implementation”

50% of the participants answered that while the South African low income housing is not a wobbly pillar, the lack of scarce skills like engineering, quantity surveying and construction management pose a bigger threats. One participant stated “We have beautiful policies that are the best in the world, we have the budget to implement, we have a public service with a full staff complement, we have communities that are in need of housing. There is a gap in delivery. The big question is where can we get the skills and competence to turn the policy and available budget into houses for the people in need of housing”

100% of the participants, those who agreed and those who did not agree that the South African low income housing is a wobbly pillar, submitted that the quality of the houses that are delivered through the state are not adequate. The participant who is a consultant stated that “If the houses that are delivered by the state are adequate and sustainable, then we would not have the housing rectification programme every other year, we would not be ignored by the banks when we want the banks to use our houses as collateral”
5.6.4 Perceptions on low income housing

This study discovered that there are many perceptions from many sectors of the housing field around the South African low income housing policy. The participants from the local government level who form 25% of the participants submitted that there are challenges in implementing the South African low income housing policy due to the perceptions of potential neighbours. One participant stated that “In KwaDukuza there was a lot of resistance from people who owned property in areas where a subsidy housing project was being planned. These people have money and they went to court. We are still dealing with that issue up to now. But we’ll win the case. These houses are for the people”.

70% of the participants particularly from the housing institutions and the local government level officials stated that even though the South African low income housing policy is relevant, it is unsustainable because it places no obligation on the beneficiary of the house. During the interview one participant stated that “I think everybody agrees that it’s pretty much unsustainable, it will not carry on for the next ten years, let me tell you, with the current policy in its current form and precisely because it does not put a lot of responsibility on the end user. The end user thinks that, ‘I am getting this house for free and therefore I can do anything that I want to do with it and government will fix everything’.

The participant who works for the Rental Tribunal made a unique submission when he said that everyone is looking at the perception of government, the banks, the politicians and the beneficiaries. He stated that no one is looking and analyzing the conflict that is beginning to emerge between the beneficiaries of the state provided housing and the people in society who do not qualify for low income housing and those but also it’s starting to create social dynamics between beneficiaries themselves. There are the beneficiaries who neither qualify for low income housing by the state nor qualify for instruments offered by the financial institutions in the market.

The participant stated that “When we hear cases in the Rental Tribunal we are beginning to be faced with a situation where a teacher who studied and qualified cannot get a housing loan from the bank because of his low salary but also does not qualify for a low income house provided by the state because they earn more than the stipulated household income. This teacher is less able to own property than a person who stays at home and wait for the government to deliver. The tension gets heightened when the teacher has to rent accommodation from a person who does not make an effort to be productive.”
5.6.5 The State vs. the Markets

90% of the participants stated that there is a role that both government and the markets can play in housing delivery in South Africa. 75% of participants stated that while the South Africa low income housing policy is not a wobbly pillar, it is threatened by the level of integration of communities during the implementation phase. One participant stated that “Integration of communities is very important but remains a major challenge. There has to be a re-look of our land policy because it does actually have an impact on how do we then develop new townships and also strategically go to, nearer to economic opportunities. So that we don’t have to travel long distances and stuff, so we can’t perpetuate apartheid policies in our new policies in this government. Well located land is privately owned so such discussion must start to happen to see how land can be transferred for housing development”

100% of the participants submitted that the South African political legacy requires there to be a balance of roles between the state and the private sector. One of the participants stated that “Whether you talking about metro or rural areas the fact of the matter is that people in South Africa cannot move forward. Many people are jobless, look at unemployment it’s just too high. So what you want therefore at this stage is a state that says I will makes interventions to make sure that it helps people to improve their housing conditions. But what we want to see is a state opening space for private sector involvement because it then becomes sort of combined solution”

5.6.6 Conclusion of Research Question 2 Responses

Research question 2 responses concluded that 69% of the participants do not view the South African low income housing policy as a wobbly pillar while 25% of the participants view it as a wobbly pillar. 6% of the participants introduced a new term the “greasy pillar”.

The themes that emerged from the interviews were discussed above and they are not dissimilar from the literature review that was conducted in Chapter 2. The full analysis of the themes that emerged from the data collection process are analysed and discussed in Chapter 6. According to NHO-1 “I still believe therefore that there have been a lot of changes in our policy and if you compare and track the changes and have a look, you will see that it has really evolved. And I think through trial and error we are confident that people will see huge changes for the better and around how we do the housing within the country. The housing policy is a strong pillar of the state”. 
5.7 Research Question 3 Responses

5.7.1 Introduction to Research Question 3 Responses

The participants in this study were slightly divided in their responses of whether the South African low income housing policy can be viewed as a cornerstone for development which offers beneficiaries independence and security. 69% of all participants stated that they consider the South African Housing Policy as a cornerstone for development while 31% of all the participants did not. During the data collection process a number of themes emerged from the interview process from all these participants. These themes are security of tenure, investing in housing, benefits associated with housing and building a cornerstone.

5.7.2 Security of Tenure

In terms of security of tenure 70% of the participants agreed that the South African low income housing policy is a cornerstone for development in that without it, all the hopes for security and independence for people living in slums will be diminished. According to MM-3:

"If you look at the ground that has been covered by the low cost housing policy in terms of providing shelter to people who would never have dreamed of owning a property had this not been in place. But also if you look at the informal settlements and the people living in squalor, whose only hope of gaining back their dignity depends on the low cost housing program, it remains very much relevant into the nineteen years of democracy. Like I’ve said before, government needs come up with extensive job creation opportunities, which would enable those people to come out of that quagmire and be able to develop themselves into providing their own home."

30% of the participants stated that the South African low income housing policy in its current state is not a cornerstone for development in terms of security of tenure because all you have is a piece of paper that states that you have a house. According to PHO-2: “The houses that are delivered by the state in terms of the South African low income housing offer no security of tenure. Let me tell you, when it rains you can feel the rain water on your body while you are inside the house, when you got to the bank and ask them to use it as mortgage, they refuse, these houses are far from work so it costs you more money to travel from these areas when they banish the people to, you can even upgrade the structure because you have to wait for eight years to get a title deed. These do not offer security of tenure. They offer a piece of paper during election time."
5.7.3 Investing in Housing

In terms of investing in housing 80% of the participants indicated that the South African low income housing policy offers an opportunity to own an asset, while 20% of the participants stated that independence cannot arise out of an inadequate asset. The housing institutions’ participants who formed 25% of the participants and are usually in the forefront of promoting an investing in the low income housing agreed that the low income housing policy is a cornerstone for development. According to MM-1: “I do agree that housing is both a means and an end. It’s a means for economic development of the country but it may also be an end in so far as provision of shelter is concerned. As I have alluded on my previous response, there is need for provision of a better shelter and a decent shelter as promised in terms of the freedom charter. But, in terms of the historically disadvantage individuals, I did allude that this low income housing becomes an economic asset to them”.

20% of the participants stated that the intention of the state in developing the South African low income housing policy was to create investment opportunities for the poor and the previously disadvantaged of South Africa. They submitted further that since 1994 the policies that support this intention have evolved but the implementers of the policies have not changed their attitude and approach in housing. They stated that the first problem can be found in the state itself which has not shifted the mind-sets about housing being a provider of shelter to housing being an asset that can be used productively.

According to C-1: “Investing in something means that at some future period, the investment will be returned with interest. Government can argue that a lot of investment has gone into the low income housing development in South Africa but the major question is what are the visible returns for government? If there are no visible returns for government, then can you confidently say there will be returns for the low income housing beneficiaries?

At least 75% of participants from local government submitted that the low income housing developments are supposed to be planned in well located land and areas. The fundamental challenge for them, they stated, is that these low income housing developments place an added financial burden on the local government budgets because the beneficiaries of low income housing developments are exempted from tax implications, they are supposed to be given free services in terms of water and electricity.
5.7.4 Benefits accruing from housing

100% of the participants agreed that there is potential for positive spin-offs from the development of low income housing. All participants concurred that housing is potentially an asset. The local government participants stated that part of their mandate is to develop integrated and cohesive communities. All 25% of the local government based participants stated that this is possible and can be achieved through the South African low income housing policy. 75% of the participants from the non-governmental sector concurred with the local government participants and said that through their programmes that is what they are trying to do.

50% of the participants confirmed that the intention of the legislation was to create shelter for the qualifying beneficiaries but it was also to place an asset on the hands of the beneficiaries. The intention according to the policy makers was for the asset to both grow in value and offer the beneficiaries an asset that ensures independence for the beneficiary or an asset that will allow the beneficiary to graduate to the next level of the housing class. The participants from government who made up about 75% of the participants were convinced that the South African housing policy is a cornerstone for development and it offers the qualifying beneficiary a higher level of security and independence due to ownership of the structure.

A concern was echoed that while the housing policy was seen as a cornerstone, there were unintended consequences that started to emerge from the implementation of the low income housing. In terms of the rental housing tribunal, it was reported that representatives at provincial level are beginning to witness an emergence of “government subsidies housing entrepreneurs”. According to these provincial government officials, these entrepreneurs are responsible for two anti-social consequences, namely the use of government subsidised housing for storing stolen goods and running unofficial businesses. They admit it is not a challenge for the housing policy, but is rather a local government monitoring problem.

One participant suggested that this challenge is also caused by the location of government housing in unsuitable land. According to MM-2: “There is a strong correlation between housing development, availability of well-located land and different forms of anti-social behavior in society.”
5.7.5 Housing as a cornerstone

70% of the participants agreed that the South African low income housing policy is a cornerstone as they have seen it moving through phases with the first level being shelter, the second level being a cornerstone for development into the third level of becoming a lever of socio-economic transformation. According to HIO-1: “For me shelter is just one part. But once you have adequate shelter over your head, then you are able to think about opportunities that are offered by such shelter. You know, you can have all these grants, but if somebody does not have a roof over their head, it becomes a problem. But again they can even have a house, if the house is not linked to any of the environment in which people are living then it becomes a problem, that house just becomes a shell. So for me I think housing will always remain the cornerstone of development and it must basically drive that and I see very much correlation between housing and also the availability of well-located land. .”

The theme that emerged strongly and was supported passionately by the NGO sector participants who formed 18% of the participants was that of independence. They are convinced that the relevant conversations have just started and the results of these conversations based on the housing policy are beginning to bear fruits. While there are gaps, there is also progress. All NGOs’ sentiments could be captured in the words of one participant. According to NGO-1: “The housing policy is a cornerstone, absolutely. As a former shack dweller myself, even today I’m still battling to find a place I will call a home. And then what constitutes a home of course, is not just shelter because otherwise we all have homes wherever we have these shelters by means of rental, by means of squatting with anybody in the shacks so that could be shelter. But, does that have the security or dignity? No. Government has started to address security and dignity by virtue of construction next to whatever amenities that are necessary for one to live. In future we will see totally different communities.”

5.7.6 Conclusion to Research Question 3 Responses

In conclusion, therefore, this study found that 69% of the participants concurred that the South African low income housing policy is a cornerstone for development that offers the beneficiaries security and independence while 31% of the participants did not concur that the South African low income housing policy is a cornerstone for development. According to C-1: “A house comes with land, land however small, with that comes an ability of a GPS co-ordinate (an address), a locality with that come predictability in terms of tenure, with that comes the ability for identity, that is a non-financial benefit.”
5.8 Research Question 4 Responses

5.8.1 Introduction to Research Question 4 Responses

This study found that 75% of the participants stated that they consider the South African low income housing policy as a lever for socio-economic transformation while 25% of the participant did not. During the data collection process a number of themes emerged from the interview process from all these participants. These themes are wealth creation, social stability, socio-economic development and intergenerational wealth.

5.8.2 Wealth Creation

In terms of wealth creation 75% of the participants responded by saying that the very intention of the South African national housing policy was to work as a lever for socio-economic growth. They all alluded to the fact that such socio-economic growth was meant to place an asset in the hands of the previously disadvantaged and create wealth across generations and in that sense transform the country and lessen the gap between the poor and the rich.

81% of the participants alluded to the fact that the people who benefit from the low income housing policy provisions are not only the housing beneficiaries but the house building material supply market is invigorated, the construction service skills are demanded, the insurance industry is engaged and as such socio-economic growth is not skewed. They do, however, caution that such growth should be monitored and the country should guard against unfair enrichment of one sector of the society by exploiting a less able sector.

The participants from the non-governmental organisations particularly with the women empowerment agenda formed 12% of the respondents stated that their low income housing delivery programmes are their “bread and butter”. According to NGO-3: “these low income housing projects provide women with shelter for themselves and their families, these low income projects provide women with employment and they are able to generate income through their efforts, these low income projects provide land so that when our children are old enough they are able to extend the house to accommodate more members of the family”

It became clear from the data collected that the South African low income housing policy does not only have a wealth creation impact on beneficiaries of the houses but also it has a positive impact on job creation in South Africa.

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5.8.3 Social Stability

This theme was supported by 100% of the participants. The participants who are responsible for housing implementation suggested were in support of the notion that adequate low income housing that is provided for by the South African low income housing policy can bring about social stability. According to HH-4: “So as long as all of these policies are used responsibly in the right way, then there is a huge benefit that should actually go forward from generation to generation, as De Soto suggests”.

NGO-2: “We are very close to the people that we represent and we are able to talk to them and hear what type of a community they want. It the government wants to build stable and safe communities, it must speak to the community organisations like us. Government is responsible for laws and policies, let us play a role of social stability through housing development within our communities.”

5.8.4 Socio-economic growth

In terms of socio-economic growth 75% of the participants were convinced that the South African low income housing policy is a lever for socio economic change and transformation. This was particularly evident in the responses of participants from the housing institutions and government who formed 50% of the participants in this study. According to HIO-3: “The South African low income housing policy is a lever for transformation, to be quite honest. If you look at opportunities that have been created now through housing development you can see that indeed there are wide opportunities that have been created for people that come into the mainstream economy, but also to become their own bosses with regard to the empowerment program that has been put in. I mean, we've seen quite a number of young women now coming into the fold and they are able now to stand on their own.”

25% of the participants were convinced that the South African low income housing policy was being abused in terms of its potential for socio-economic growth. According to MM-2: “If we look at socio-economic growth, we must not look at the positive consequences but we must ask the question whose expense is this socio-economic growth at. We have seen people getting away with murder by building shoddy structures and not being penalized for that. Socio-economic growth should mean that as you grow you are also held accountable for the type of structures that you deliver.”
5.8.5 Intergenerational Wealth

This study found that 75% of the participants were convinced that the South African low income housing was a lever for transformation in terms of intergenerational wealth. This was particularly true for the local government participants. They all articulated in different ways that the low income housing policy of South Africa is a lever for socio-economic transformation. HH-4 is responsible for implementation and witnesses on a daily basis the impact of the policy at ground level agreed. According to HH-4: “I will then affirm that housing in terms of the current policy it is contributing towards changing to the extent that if I was to take a specific example of the project in Tebeni which is a mixed income project with people from different backgrounds, this project will yield a new type of transformed generation which is what we are looking for in South Africa. We have similar projects all over the country not only based on race but also based on different income level. We are creating wealth and cohesion from generation to generation”.

One participant was adamant that the South African housing policy is a lever for transformation but presented reservations on the definition of intergenerational wealth. According to C-1: “Yes, wealth in an African sense is very different from wealth a capitalist sense. In an African sense it is communal you know. The classical dilemma of African development in our case a classical dilemma is a South African development project. Yes housing if dealt with as an asset that is devoid of communal interest. It is an asset of wealth / value and therefore it triggers growth of wealth to those who possess it and those who are able to transact on bases of that asset. Sometimes I think I’ve seen houses that are locked up by emotion and in which wealth is not able to be transferred.”

5.8.6 Conclusion to the Research Question 4 Responses

In terms of research question 4 this study found that 75% of the participants concurred that the South Africa low income housing policy is a lever for socio-economic transformation and change, while 25% did not. As stated by NGO-1: “While the policy is bringing about transformation, there are factors like corruption, money laundering, shabby housing, cement going missing and all of that so if you then have to refer of a house moving from one generation to generation, when the house doesn’t even last for a year then it’s a disgrace. These particular housing are seen as a starter house and allowing further development by family. If they were constructed right perfectly I think, of course there is a future and wealth creation”.

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CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

Chapter 5 presented the results of the research process, in which four research questions were asked after interviews with sixteen participants. The demographics, profiles and information of the participants was discussed in the previous chapter. These and constructs emerging from the responses were presented. The objective of this chapter is to discuss the findings of the research in relation to Chapter 2 of this study which was the literature review. In this study it was found that many of the responses from participants were concurrent with the literature review conducted in Chapter 2 but some differed. This chapter will analyse each of the research findings in details.

6.2 Discussion of Research Question 1: The State

6.2.1 Introduction to Research Question 1

Research question 1 was concerned with whether South Africa is welfare or a developmental state. The objective of research question 1 was to understand how the officials who develop and implement the South African low income housing policy view the state. Table 5.4 in Chapter five depicts the responses from participants on this research question.

Among the participants interviewed, 31% identified South Africa as a welfare state, 69% identified South Africa as a developmental state while 37% of the 69% identified South Africa as an intermediary state. Participant C-1 was very emotive and went to great lengths is trying to convince the research why South Africa is a welfare state. Participant HIO-3 and HIO-4 concurred that South Africa is not a developmental state.

This study found that the participants totalling 69% who identified South Africa as a developmental state based their inputs on the policies and South African institutes that support such developmental policies. This study, based on the literature review and the non-verbal communications by at least 80% of the proponents of the developmental nature of South Africa as a state, concluded that South Africa is an intermediary state with a strong set of policies and institutions that support a developmental agenda.
6.2.2 Analysis of Research Question 1

At least 69% of the participants alluded to the fact that South Africa is a developmental state because of its policy orientation and architecture. This is in line with the findings of Fine (2010) where he explained that it is the institutional architecture and the internal institutional configuration and the nature of its relations to non-state actors that determines the developmental nature of a state. The responses of the participants relied heavily on the capacity of the state institutions to determine the state’s capacity to formulate and implement its policy and programmes as suggested by Fine (2010).

The 31% of the participants who dissented from the popular view of South Africa being a developmental state appeared to have analysed the policies and the institutional architecture of South Africa from the intention of redressing past imbalances rather that the type of state that South Africa aspires to be. Of interest was the fact that even the participants who submitted that South Africa is a welfare state did not confine themselves to Barr’s (2012) definition of a welfare state which is that South Africa exists to enhance the welfare of the people who are weak and vulnerable largely by providing social care; people who are poor largely through redistributive income transfer, by organising cash benefits to provide insurance and consumption smoothing, and by providing medical insurance and school education.

The 31% of the participants who argued that South Africa is a welfare state conformed with the approach of Rudra (2007) by stating that the South African efforts as a welfare state are directed towards promoting market development (a productive welfare state) which prioritize commodification, and active participation in export markets and the protection of select individuals from the market (a protective welfare state) and this approach avoids emphasis on international markets and ultimately focused government efforts on commodification.

It emerged from the responses that particularly the NGO sector players viewed this approach as an attempt by the state to control the economy through “over-protection” under the guise of a welfare state. This view concurred with the submission of Rudra (2007) when he stated that the focus on insulating domestic firms from international competition allows politicians to exercise maximum discretion and control over the economy, particularly in the early stages. If the threat of international market competition and pressures of cost containment are absent, rulers and governments can provide allowances to both workers and firms in the major industrializing sectors.
This study found that the 37% of the participants who stated that South Africa is neither a welfare nor a developmental state supported Van Holdts (2010) submission that South Africa as a state conforms with the standard which can be seen in Brazil and India which are neither welfare nor developmental in nature. When this study explored four more responses from the 69% of the participants who said that South Africa is a development state, it found that there was strong bias towards South Africa being an intermediary state. These responses were:

NHO-1: “We are a developmental state but you have to understand that we cannot do things overnight and perform miracles. Yes, the agenda is for a developmental state and yes we have welfare policies…maybe we are both. No we are a developmental state”

HIO-4: “Yes, it is a difficult one because we are undergoing transformation. Transformation of the country is a very difficult and painful process. Let me put it this way National Development Plan should tell everyone that we are a development state”

MM-3: “We are told that we are a developmental state and I will say to you that perhaps we are. But let me ask you, why do we have so many welfare policies and procedures.”

C-1: “We are a developmental state because the government wants us to think like that. In my opinion we are neither a developmental state nor a welfare state. We are a state in transition. But for the purposes of this interview, yes South Africa is a developmental state”

6.2.3 Conclusions to Research Question 1

From the submissions of the participants that were interviewed, this study found that the 31% of the participants who submitted that South Africa is a welfare state were highly emotional and inferred the welfare nature of South Africa from the social policies only, which the study found could be present even under a developmental state. This study found that the 69% of the participants who identified South Africa as a developmental state based their inputs on the policies and South African institutes which was a more rational and logical submission. The researcher noted that the non-verbal communications by at least 80% of the proponents of the developmental nature of South Africa as a state, suggested that they believe South Africa to be in transition.

This study concluded therefore that South Africa is an intermediary state with a strong set of policies and institutions that support a developmental agenda.
6.3 Discussion of Research Question 2: The Wobbly Pillar

6.3.1 Introduction to Research Question 2

Research question 2 was concerned with whether the South African low income housing policy is a wobbly pillar as depicted by Torgesen (1987). The objective of research question 2 was to understand whether the officials responsible for the South African low income housing policy development and implementation viewed the South African housing as a wobbly pillar.

Among the participants interviewed, 75% responded that the South African low income housing policy is not a wobbly pillar of the state while 25% identified the South African low income housing policy as a wobbly pillar of the state. This study found that at least one participant who was part of the 25% respondent that the South African low income housing policy is a greasy pillar. He formed 6% of the participants. Participants NHO-1, PHO-2, MM-1 and NGO-1 were convinced that the South African low income housing policy is a wobbly pillar.

Based on the literature review, 75% of the participants who said that the South African low income housing policy is not a wobbly pillar as compared to the 25% who said that it is, this study found that the South African low income housing policy is not a wobbly pillar of the state.

6.3.2 Analysis of Research Question 2

75% of the participants concurred with the literature particularly Sedgwick (2008) when he mentioned that the affordability of housing has long been a subject for economic and social policy debate. This study found that this research question was not viewed from the angle of the ability and capacity of the state to deliver adequate and sustainable low income housing but it was rather viewed from the expectations of the people in terms of what the state should be delivering to them in the housing context. Some participants stated:

NHO-2: ‘It is the duty of the state to delivery to the poor and vulnerable. This is a mandate from the Freedom Charter that we have to carry through”

HIO-2: ‘Largely because of the past and our history, many people cannot afford houses. The duty is on the state to come to their rescue.”
What this study found disturbing was the sense of entitlement that was created by the perceptions of policy developers and politicians in this regard. This study reflected on the submissions of Rudra (2007) regarding the discretionary power of the states conferred on them by welfare policies. This study concluded that since it was established that South Africa is a country in transition then there is an opportunity to look at policy options that will reduce the level of expectation and dependence on the state for welfare services particularly housing.

25% of the participants conformed with Landis and McClure (2010) when they responded that the South African low income housing policy at best, is inefficient, ineffective and inappropriate. These participants have suggested that the South African low income housing policy has not translated into effective housing programmes. Some of the participants who stated that the South African low income housing is a wobbly pillar state as follows:

NHO-I: “These housing programmes need to be re-looked at. For instance provinces were cutting corners and presenting inflating figures of houses that have been built. This created a problem because the information that the government has differ from the reality on the ground”

NGO-1: “We know that these houses are political tools to votes for Counsellors”

The participants who operate outside the government sphere of control agreed with the submissions of Abramsson (2008) when he stated that what is defined as an opportunity depends on individual preferences, resources and constraints. This submission was supported by the responses of the participants. 25% of the participants stated that perhaps when the agenda of government was started in 1994, not enough social participation was done since the country was generally divided according to race and gender.

Kell (2009) agreed with Abramsson (2008) and 25% of the responses of the participants concurred that maybe the South Africa low income housing policy is viewed as a wobbly pillar because opportunity is perceived by the individual based on social background, experience and information or the lack thereof. Kell (2009) then proposed that education and literacy would help the states in managing transformation in the housing field. One participant concurred and stated as follows:
NGO-1: “Housing consumer education programmes should be strengthened”

50% of the participants agreed with Stamso (2008) that the distinction between the objectives and methods of low income housing are blurred resulting in housing being labelled a wobbly pillar of the state because of the resultant inequalities and inefficiencies. These participants argued that in the South African context, the policy position of the vulnerable was protected by the Constitution and that there was clarity of the types of houses that are fully part of the welfare state and those that are fully part of the free market. They submitted, however, that because of the quality and the location, the poor have erected slums in better locations and closer to centres of economic activity. The following participants stated:

NGO-3: “The policy has left us stranded out there. We do not work, we do not have money for transport so yes we do have RDP but we can’t go to work because it is too far and expensive”.

A participant who is government official responded as follows when this statement was put to him:

PHO-2: “The government has long admitted that there is a problem with well-located land in South Africa. The land audit has not been completed and the custodian of state properties is unable to tell us what is available and what is not…”

75% of the participants were aligned with the submissions of Kemeny (2006), when he explained that education, health care, social security and housing are the four pillars of public services. This participant stated as follows in agreement with Kemeny (2006):

NHO-2: “The entire policy shift that we all saw in 2004 was based on the premise that sustainable human settlements would offer a holistic approach to development and to the delivery of services. The human settlement approach talks to schools and education, primary and secondary health facilities and hospital, open spaces for sports and recreation”

75% of the participants concurred with the submission of Tighe (2011) when he suggested that the development of affordable housing often trigger concern among neighbours and community groups about potential negative impacts on neighbourhood quality of life and property values. The participants concurred and agreed in the following ways:
PHO-1: “Not so long ago in the Mayville area people invaded houses that were built for one racial group of the society. The neighbours were fighting against the invaders not because they had committed an illegal act but because they preferred people similar to them in terms of culture and other considerations to invade those houses”

This study found that the above statement is in line with the submissions of Tighe (2011) when he submits that advocates, developers, and researchers have long suspected that these concerns stem in part from racial or class prejudice. Unfortunately Tighe (2011) qualifies his submission by saying that there is a lack of empirical evidence supporting these assumptions. The Housing Institution officials largely concurred with this notion particularly in areas of inclusionary housing, rental housing, and the EEDBS scheme.

75% of the participants were convinced that the concerns 25% of the participants were valid however they stated that these concerns could be addressed through what Warnock and Warnock (2008) called a well-functioning housing market. They concurred that such a housing market will not only address shelter need but they will also address health issues, assist in developing skills, create employment, reduce crime levels and contribute in the economic growth initiatives of the country.

The participants took this argument further by submitting that in South Africa, because of the low income housing policy, people now have a home with an address and such facilitates the success of home based entrepreneurs.

6.3.3 Conclusion to Research Question 2

This study found that from the responses of the participants 75% of the participants who were interviewed stated that the South African low income housing policy is not a wobbly pillar while 25% of the participants thought that the South African low income housing policy is a wobbly pillar. This study concluded that the South African low income housing policy is not a wobbly pillar.

This study found a disturbing sense of entitlement from the responses of at least 70% of the participants without discussing a corresponding duty on the beneficiaries in terms of managing their assets and furthermore that at least 60% of participants were aware that housing as a welfare tool was sold by politicians for votes. One participant stated:

NGO-1: “Sometimes people’s poverty is sold to the highest bidder”
6.4 Discussion of Research Question 3: The Cornerstone

6.4.1 Introduction to Research Question 3

Research question 3 was concerned with whether the South African low income housing policy is a cornerstone for development. The two main variables that were discussed under this question was whether the South African low income housing policy offered the beneficiaries a benefit that is more than shelter and it offered them security and independence. The objective of research question 3 was to understand whether the officials responsible for the South African low income housing policy development and implementation perceive the South African housing policy as a cornerstone for development.

Among the participants interviewed, 69% responded that they consider the South African low income housing policy as a cornerstone for development while 31% identified the South African low income housing policy as a cornerstone for development. Participants PHO-1, PHO-2, MM-2 and MM-3 were convinced that the South African low income housing policy is not a cornerstone for development.

Through this research question, numerous themes emerged. On the theme of security of tenure, 70% of the participants agreed that the South African low income housing policy is a cornerstone for development and 30% submitted that in its current state it is not. On the theme of investing in housing 80% of the participants indicated that the South African low income housing policy offer opportunity of investments in order to facilitate independence for beneficiaries while 20% stated there can never be potential returns from investment in low income housing in South Africa because even the officials who are supposed to implement such approach have not changed their mind-sets.

On the theme of potential housing benefits of security and independence other than shelter, 100% of the participants were in agreement. It was interesting for this study to observe concurrence between the local government officials concurring and the non-governmental organisation in agreeing that the intention of the legislation was to give the qualifying beneficiaries an asset that will become socially and economically productive. Finally on the theme of housing as a lever for socio-economic transformation 75% of the participants considered the South African low income housing policy as a lever for socio-economic change while 25% of the participants did not.
6.4.2 Analysis of Research Question 3

70% of the participants that were interviewed concurred with the literature review provided by Zheng and Wong (2010) on housing being a cornerstone for development in terms of security of tenure and the resultant level of beneficiary independence. This study found that the 18% of participants from the non-governmental sector were in agreement with the at least 50% of the local government officials in the following manner:

NGO-1: “A house gives you a sense of identity. Just imagine what you would do if you did not have a house. You would move from pillar to post and you would never have a sense of belonging. With a house I am independent and I can make it beautiful so that my neighbours can respect me.”

MM-1: “As South Africans we enjoy complaining. We even forget that before the democracy in 1994 we did not even have a street name. When you wanted employment you had to stay with families or friends who had houses in the vicinity of your potential employers. Now we have houses which give us addresses, we can send and receive emails. We can have telephones.

This study found that at least 75% of the participants stated that there is correlation between the South African low income housing policy and the level of security and independence enjoyed by over three millions previously disadvantaged South Africans today. In line with Zheng and Wong (2010) submission that social capital refers to business networks and personal ties that determine social behaviour, 75% of the participants stated as follows. These participants were from the non-governmental sector, the housing institutions and the local governments sector.

NGO-1: “Look at me, I was born in a shack and I have lived half my life in a shack but not I have my own house, security and independent because of the RDP Policy. I am not far from where I work. I have made new friends and I am also able to hold community meetings in my house and yard because we do not have community halls yet”

MM-2: “In all my years working with people at local government level, many communities would like to determine the type of neighbours that they have and the types of neighbourhoods that they live in. They will defend their communities and drive away an form of anti-social behaviour.”

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80% of the participants that were interviewed were aligned with the submissions of Malpass (2008) that many states are beginning to put housing in a much more central position than it was before. At least 69% of the participants interviewed made reference to the intention of the South African low income housing policy and the experiences of the past nineteen years in South Africa.

NHO-1: “Nineteen years might sound like a long time and yes it is a long time for a person who was born after the apartheid era. Nineteen year is a very short time when you consider what we are trying to do. We are trying to reverse the damage cause by apartheid from 1948 and that caused by colonisation over 200 years ago”

PHO-1: “You might remember the rent boycotts of the 80’s and you might remember the country burning in which houses were the first targets. How can we heal those scars in nineteen years? What programmes will assist us in educating the housing beneficiaries that the houses are theirs and they have a responsibility to look after them”

While at least 80% of the participants that were interviewed raised concerns with the sustainability of the South African low income housing policy with particular reference to well-located land and the sub-standard quality of these house, they seemed to concur with Gilbert (2012) when he posited that over the last ten years, that there is evidence that shows that despite all these challenges associated with housing development, the perception of housing as a cornerstone for development continues to grow positively.

This study found it interesting that when 18% of the interviewed participants were complaining about low income housing being reduced to a worthless piece of paper, they were actually concurring with Ahiakpor (2008) where he argued that lack of titles property is not the real hindrance to economic development in the developing countries as claimed by De Soto (2000). At least 50% of interviewved participants seemed to be cautiously in agreement with de Soto (2000) that the poor in developing countries are unable to convert their "dead capital" into "live, functioning capital" because of a "legal apartheid" their governments have created including lack of property titles.

At least 75% of the participants that were interviewed, particularly from the housing institutions, provincial and national government concurred with Edminston (2012) that although the primary beneficiaries of housing investments are the homes’ occupants,
housing is thought to have substantial spill over benefits on the surrounding neighbourhood and community.

94% of the participants who were interviewed disagreed with the argument of Fallis (2010) that expansion of social housing would do little to help the homeless and that the focus should be on social programmes only. Participants submitted that for housing to be a cornerstone there is a need for the coordinated combining of housing first with social support programs: a supportive housing strategy. While Fallis (2010) dissented from the views of Ahiakpor (2008) and Edminston (2010) by explaining that to deal with housing affordability problems, the focus should be upon employment programs, education and training, and income support, not upon new social housing, his latter views seemed to be partially supported by 80% of the participants who were interviewed.

The participants from the non-governmental organisations sector were aligned with Van der Molen (2012) that the formal legal system is incapable to cope with reality of a bell jar where the poor and vulnerable are not able to engage in the formal economy. In the South African contexts all NGO participants argued that citizens have been forced into informality, where they have to rely on retracted circles of trust instead of wider, institutionalised networks. These participants who were interviewed from non-governmental organisations argued that in the informal sector, making a living is expensive because of the continuous payment of bribes, payment for desired or forced protection, payment to informal leaders, payment of high transaction costs for everything, payment of high costs for obtaining capital for innovations and higher productivity; a situation worsened by the rural-urban migration, partly caused by failing land reform projects in the rural areas as submitted by the NGO responsible for the urban poor.

6.4.3 Conclusion to Research Question 3

This study found that from the responses of the participants who were interviewed 69% of the participants who were interviewed stated that the South African low income housing policy is a cornerstone for development while 31% of the participants stated that the South African low income housing policy is not a cornerstone for development. This study concluded that the South African low income housing policy is a cornerstone for development. This study noted that the level of confidence in the human settlements department is waning quickly and some interviewed participants particular from the non-governmental sector are beginning to look for solutions elsewhere other than from government.
6.5 Discussion of Research Question 4: The Lever for Change

6.5.1 Introduction to Research Question 4

Research question 4 was concerned with whether the South African low income housing policy is a lever for socio-economic change. The two main variables that were discussed under this question was whether the South African low income housing policy had the potential to create intergenerational wealth and the potential to change the socio-economic dynamic of the country positively. The objective of research question 3 was to understand whether the officials responsible for the South African low income housing policy development and implementation perceive the South African housing policy as a lever for socio-economic change.

Among the participants interviewed, 75% responded that they consider the South African low income housing policy as a lever of socio-economic change while 25% did not identify the South African low income housing policy as a lever for socio-economic change. Participants PHO-2, MM-1 and C-1 were convinced that the South African low income housing policy is not a lever for socio-economic change, while NHO-1, HIO-4 and C-1 did not consider the South African low income housing policy as having the ability to create intergenerational wealth.

Through this research question, numerous themes emerged. On the theme of wealth creation, 75% of the participants who were interviewed agreed that the South African low income housing policy is a lever for socio-economic transformation while 25% of the participants who were interviewed state that in its current state it is not. On the theme of the ability of South African low income housing policy to deliver social stability 100% of the participants who were interviewed indicated that the South African low income housing policy offer a unique opportunity to create stable communities and general social stability.

On the theme of socio-economic spinoffs from the South African low income housing policy, 75% of the participants who were interviewed concurred with the submission that the policy has the potential to bring about socio-economic transformation while 25% of the participants who were interviewed did not concur. Finally on the theme of the South African low income housing policy being a tool that can be used for intergenerational wealth 75% of the participants considered the South African low income housing policy as a tool for creation of intergenerational wealth while 25% of the participants interviewed did not concur.
6.5.2 Analysis of Research Question 4

75% of the participants who were interviewed concurred with Landis and McClure (2010) in their submission that homeownership has appropriately been the cornerstone of state housing policies for over 80 years. 75% of the participants who were interviewed concurred the statement that where low income houses are delivered in well located land, with the required level of social amenities, closer to the centres of economic activities the value of those houses appreciate, creating value and wealth not only for the housing beneficiaries but also for the children of those housing beneficiaries.

This study noted that 80% of the participants who were interviewed concurred with Lea's (2007) submission that in many instances of ownership there is both control and income rights bundled together in a single holding. While 80% of the participants who were interviewed agreed on the distinct definition of the income right and control rights, they differed from Lea (2007) in that such categories of rights should be kept separate because they serve different personal and social functions. All participants seemed to converge on the notion that these rights are two sides of the same coin.

25% of the participants who were interviewed made reference to well-located land and the vital role of social amenities that are offered by the South African housing policy. This reference concurs with the submissions of Edminston (2012) that state efforts to revitalize troubled neighbourhoods have depended largely on investments in housing. The participants from the provincial housing departments were in agreement and they stated that in KwaZulu Natal these are evident in the KwaMashu CRUs, infill accommodation in Mayville and integrated housing approach in the Hibiscus coast municipality.

55% of the participants who were interviewed particularly those from the national, provincial and housing institutions recommended that the South African low income housing policy needs to change and assume a more sophisticated and sustainable tone. This concurs with the submission of Wang (2011) that that the role of government in housing renewal has become more sophisticated. The government role as a market facilitator must move towards a more extensive role as a regulator, a mediator of competing social interests, and as best practice provider in urban renewal. Participants HIO-1 and HIO-3 were in agreement, by saying that the mandate of the housing institution revolves around market regulation and mediation of social interests.
While Wang (2011) discussed that these changes reflect the emergence of a national agenda calling for more socio-economically ‘balanced development’, 75% of the participants who were interviewed made reference to the National Development Plan (2011) and submitted that this process has started in South Africa and that the current South African national agenda calls for more sustainable and socio-economically balanced development beyond the year 2050 (NDP, 2011)

Participants from the non-governmental sector who were interviewed and formed 25% of the participants concurred passionately with Vadas (2009) in his confirmation that household wealth attracts attention from politicians, policy makers, analysts and, of course, households themselves are concerned about their wealth positions. The NGO-1 suggested that even in South Africa, while politicians worry about collecting votes from the beneficiaries of low income housing, the analysts are always giving opinions on the impact that such delivery has on the behaviours of beneficiaries and their future wealth.

75% of the participants who were interviewed mentioned the positive socio-economic effects of the South African low income housing policy and concurred with Scally (2012) when he argued that the development of affordable housing can have multiple positive effects on households and communities. The HIO-3 and HIO-4, from the housing institution responsible for social or rental housing, concurred with Stone (2006) when they stated that affordable rents can also mean more money to spend on other important household needs, such as good food, health care services and transportation.

100% of the participants who were interviewed stated that the communities can benefit more from a more stable workforce by reducing common causes of employee stress and absenteeism, including high housing costs and transport costs to get to work. They also can benefit from increased social and economic diversity and sustainability. The above statements refer largely to socio-economic transformation and potential intergenerational wealth creation.

94% of the participants who were interviewed concurred with Van Gent (2009) when he submitted that owner-occupied housing is important in the provision of shelter but because the owners tend to take care of their possessions, such housing becomes a facilitator for intergenerational transfer of wealth and reduces the welfare burden on the state. There is therefore concurrence between the participants’ responses and the literature reviewed.
6.5.3 Conclusion to Research Question 4

This study found that from the responses of the participants who were interviewed 75% of the participants who were interviewed stated that the South African low income housing policy is a lever for socio-economic change while 25% of the participants who were interviewed stated that the South African low income housing policy is not a lever for socio-economic change. This study concluded that the South African low income housing policy is a lever for socio economic change.

6.6 Conclusion to Chapter 6

Chapter 6 analysed the response of participants and analysed it according to the literature review that was conducted and discussed in Chapter 2. Generally the responses of the participants concurred with some themes that were evident in the literature review that was found by this study.
CHAPTER 7: CONCLUSION

7.1 Introduction

The previous chapters analysed and discussed the various aspects of this study. Chapter one provided an introduction to the research problem. Chapter two presented a literature review and identified four key themes of the state, namely housing as a wobbly pillar, and housing as a cornerstone for development and housing as a lever for socio-economic change. Chapter three formulated and presented the research questions.

Chapter four presented an in-depth research methodology and design. Chapter five presented the findings of the research and data collected. Chapter six presented the discussion of the results in comparison with the literature review conducted in Chapter two. Chapter seven further discusses the background of this research problem, and the outputs that were identified in Chapter one. This chapter also summarises key findings, makes recommendations for future research in this field and concludes this study.

7.2 Background of the Research Problem

According to Groenewald (2011) in South Africa the ANC (African National Congress) led state has achieved a lot in terms of housing delivery with over 1.8 million housing structured delivered in 2008. According to the literature review and the responses of the participants who were interviewed in Chapter 5, the challenge still remains high in housing. The submissions of Charlton (2009) were supported by Groenewald (2011) in her submission that the South African housing programme is known internationally as a beacon of success in housing development in Africa.

Schensul (2008) submitted that after apartheid South Africa made various attempts to dismantle the oppressive laws that were enacted during the apartheid era through a massive programme of low income housing development whose intention was to minimise the economic and infrastructure gaps between the previously disadvantaged members of the society and those members of the society who were previously advantaged by the apartheid regime.
Manual (2011) acquiesced that at the core of the South African National Development Plan, 2011 (SANDP, 2011) are the strategic abilities, skills and capabilities of the South African people and the capacity of South Africa as a state and ensuring that opportunities for both are created. He acknowledged that the needs of the people may differ but he was adamant that they include decent accommodation, safer communities and social security.

There is therefore a need for more qualitative studies that focus on whether the delivery of low income housing in South Africa in terms of the South African National Plan for the Creation of Human Settlements (2004) can be viewed positively. This study gathered various perspectives and information on this topic from stakeholders who have played and continue to play a role in the development and implementation of the South African housing policies.

In summary, the objective of this study was to contribute to the body of knowledge and influence studies in Social Policy Development and Implementation. Government and business alike will benefit from this study.

- To understand whether stakeholders in the Housing Development field view South Africa as a welfare state or a developmental state;
- To understand whether stakeholders in the Housing Development field view the South African housing policy as a wobbly pillar of the state which to Malpass (2008) emanates from the argument that while the state should provide a set of public services which include education, health and social services, many scholars have refused to recognise housing as one of those public services which should be provided by the state.
- To understand whether stakeholders in the Housing Development field view the South African housing policy as a cornerstone of the state which according to Fahey and Norris (2011) are the accrued benefits of low income housing policies which have less to do with housing as a dwelling and more to do with housing as a provider of security and independence.
- To understand whether stakeholders in the Housing Development field view the South African housing policy as a lever of socio-economic change for the state as suggested by Van Gent (2009) when he argued that in developed countries, governments position housing ownership as a lever for change to ensure that the welfare burden on the state is greatly reduced.
7.3 Summary of Significant Findings

7.3.1 Research Question 1 Conclusion

From the submissions of the participants that were interviewed, this study found that the 31% of the participants who submitted that South Africa is a welfare state were highly emotional and inferred the welfare nature of South Africa from the social policies only, which the study found could be present even under a developmental state. This study found that the 69% of the participants who identified South Africa as a developmental state based their inputs on the policies and South African institutes which was a more rational and logical submission. The researcher noted that the non-verbal communications by at least 80% of the proponents of the developmental nature of South Africa as a state, suggested that they believe South Africa to be in transition.

This study concluded therefore that South Africa is an intermediary state with a strong set of policies and institutions that support a developmental agenda.

7.3.2 Research Question 2 Conclusion

This study found that from the responses of the participants 75% of the participants who were interviewed stated that the South African low income housing policy is not a wobbly pillar while 25% of the participants thought that the South African low income housing policy is a wobbly pillar. This study concluded that the South African low income housing policy is not a wobbly pillar.

This study found a disturbing sense of entitlement from the responses of at least 70% of the participants without discussing a corresponding duty on the beneficiaries in terms of managing their assets and furthermore that at least 60% of participants were aware that housing as a welfare tool was sold by politicians for votes. One participant stated:

7.3.3 Research Question 3 Conclusion

This study found that from the responses of the participants who were interviewed 69% of the participants who were interviewed stated that the South African low income housing policy is a cornerstone for development while 31% of the participants stated that the South African low income housing policy is not a cornerstone for development. This study noted that the level of confidence in the human settlements department is waning quickly and

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some interviewed participants particular from the non-governmental sector are beginning to look for solutions elsewhere other than from government.

This study concluded that the South African low income housing policy is a cornerstone for development.

7.3.4 Research Question 4 Conclusion

This study found that from the responses of the participants who were interviewed 75% of the participants who were interviewed stated that the South African low income housing policy is a lever for socio-economic change while 25% of the participants who were interviewed stated that the South African low income housing policy is not a lever for socio-economic change.

This study concluded that the South African low income housing policy is a lever for socio-economic change.

7.3.5 Conclusions to findings

Based on the literature review conducted in Chapter 2, the results of the interviews presented in Chapter 5, and the analysis of the data collected in Chapter 6, this study concluded as follows:

In terms of research question 1, South Africa is an intermediary state that has strong policies and institutions that support a developmental agenda.

In terms of research question 2, the South African low income housing policy is not a wobbly pillar of the South African state.

In terms of research question 3, the South African low income housing policy is cornerstone for development.

In terms of research question 4, the South African low income housing policy is a lever for socio-economic change.
7.4 Recommendations

7.4.1 Recommendations to Policy Makers

The recommendation that this study makes to policy makers is based on what the participants and the literature review explored. The following recommendations are made:

- There is a need to actively involve the local sphere of government in the process of low income housing policy formulation, not only at the consultation stage but also at the conceptualisation phase so that relevant input may be made by the implementers of the policies earlier rather than later;
- The process of accreditation of municipalities by the national department of human settlements should be extended to other municipalities with the capacity to deliver low income housing and manage the budget related to it;
- The provincial level of government is a duplication of the competences of the national sphere of government. The competences of the provincial sphere of government should change into the monitoring and capacitating arm of low income housing delivery. The provincial housing departments should cease to be a conduit of policies and budgets earmarked to housing delivery at the local level of government.

7.4.2 Recommendations to Policy Implementers

The recommendation that this study makes to policy implementers is based on what the participants and literature review explored. The following recommendations are made:

- There is a need to invest in skills development strategy for the local level of government that will focus on town planning, quantity survey, engineering and constructions management.
- There is a need to create a local government dialogues team that will address the current challenges faced by municipalities, share best practice and challenge each other on new and innovative methods of delivering low income housing.
- There is a need to develop tools that will assist the municipalities to monitor and assess the construction of low income houses before, during and after. This process is currently happening but is open to abuse and manipulation.
- There is a need to compile a housing need register that is user friendly, transparent and accessible to every citizen of South Africa.
7.4.3 Recommendations for Future Research

The recommendation that this study makes for future research is based on what the participants and literature explored. The following recommendations are made:

- Further research is required to find out what the perceptions of the low income housing beneficiaries are in terms of the South African low income housing whether it is a wobbly pillar, a cornerstone for development or a lever for socio-economic development.
- A qualitative and exploratory type of research would be beneficial to assess the perceptions of financial institutions and why the policy makers and policy implementers have stated that it is difficult to use the low income housing provided by the South African government as collateral.
- Further research is required to find out the genesis of perceptions of potential neighbours to low income housing. Tighe (2012) suggested that these perceptions are real and it is suspected that they are based on racial and class prejudice but no empirical evidence is documented in terms of these suspicions.

Another recommendation is that a quantitative study can be employed that focuses on the perceptions of the South African low income housing beneficiaries and whether they view the South African low income housing policy as a wobbly pillar, a cornerstone for development or a lever for socio-economic change.

7.5 Conclusion of the Research Study

The Constitution of the Republic of South Africa, 108 of 1996 (the Constitution), affords all South Africa citizens the inalienable right to housing. Since 1994 there have been many policies which include the Reconstruction and Development Programme (RDP) of 1994; and the Housing Act, 1997 (Act No. 107 of 1997). Currently the most fundamental housing policy is the National Department’s mandate is the Comprehensive Plan for the Development of Sustainable Human Settlements, 2004. Tonkin (2008) emphasised that the South African low income housing policy promote densification and integration, enhance the location of new housing projects, support urban renewal and inner city regeneration, develop social and economic infrastructure, and enhance the housing products.
REFERENCES


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Van der Molen, P., (2012). After 10 years of criticism: What is left of de soto’s ideas?. FIG Working Week 2012 Knowing to manage the territory, protect the environment, evaluate the cultural heritage Rome, Italy, 6-10 May 2012.


APPENDICES

APPENDIX 1: Letter to targeted participants

Good Day

GIBS RESEARCH PROJECT – SOUTH AFRICAN HOUSING POLICY

I am a final year Masters of Business Administration (MBA) student at the Gordon Institute of Business Science (GIBS). I am conducting research on whether the South African housing policy is a wobbly pillar, a cornerstone or a lever for socio-economic growth and I am trying to obtain different perspectives from the different spheres of government, housing institutions, and non-governmental organisations. The research also aims at understanding whether South Africa is perceived as a welfare state or a developmental state particularly in the context of the National Development Plan, 2030.

I believe that your knowledge experience and expertise will assist me with the insight required to answer the research questions of this study. Our interview is expected to last about 45 minutes. This research forms part of the requirements for the completion of an MBA degree with the (GIBS). Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential. If you have any concerns, please contact me or my supervisor. Our details are provided below.

Research Supervisor Name: Dr Trevor Taft
Email trevor@cihp.co.za
Phone 083 553 6318

Many thanks and Kind Regards

Researcher Name: Sindisiwe Z. Nyandu-Sithole
Email zandi.sithole@ymail.com
Phone 078 037 8723
APPENDIX 2: Interview Schedule for Policy Makers and Implementers

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<td>Name</td>
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</table>

Thank you for your time and input. I would like to confirm the confidentiality of the data I collect from you. If required, this interview can be anonymous and your name and/or company name will not be reflected in the research report. I am conducting research on whether the South African housing policy is a wobbly pillar, a cornerstone or a lever for socio-economic growth and I am trying to obtain different perspectives from the different spheres of government, non-governmental organisations, housing institutions and Municipalities. The research also aims at understanding whether South Africa is perceived as a welfare state or a dual welfare state particularly in the context of the National Development Plan, 2030.

The interview will be conversational and exploratory. I would like to encourage you to speak freely and openly, and not be limited to just answering the research questions. Before a question is posed to you, the concepts contained in this study will be defined to ensure consistency. The objective of this report is make recommendations to the Housing Policy Makers in South Africa. Before we start the interview, do you have any questions?

Research Question 1: Low Income Housing in South Africa

1.1 Low income housing:

For the purposes of this study, the South African National Housing Code defines low income housing as affordable housing for people whose combined monthly household incomes is below R3 500 per month and social housing which is described as rental or cooperative housing option for low to medium households whose combined monthly income is above R3 500 but below R7 500. Therefore affordable housing is a combination of affordable housing and social housing.
Q1.1.1 What is the mandate of your organisation in the context of the low income housing policy of South Africa?

Q1.1.2 Would you say that there is progress in terms of the mandate of this institution?

1.2 The State:
For the purposes of this study a welfare state has been defined as a combination of productive and protective state whose efforts are directed towards promoting market development while protecting select individuals from the very market while a developmental state has been defined as a state that has the capacity to develop social policies and programmes at affecting and protecting the social well-being of the people within a give territory.

Q1.2.1 In your opinion is South Africa a welfare state or a developmental state?

Q1.2.2 Do you think that the low income housing policy is relevant in the context of South Africa as a welfare state or a developmental state?

Research Question 2:

2. Housing as a wobbly pillar
In this study a wobbly pillar is defined as a pillar of a set of public services which include social services, health and education but it is depicted as an unstable pillar of the state as it is seen as neither a full public service nor fully part of the free market.

Q2.1 In the South African context, do you consider the low income housing policy as presenting a wobbly pillar of the state?

Q2.2 Would you say that the low income housing policy has achieved much in South Africa 19 years into the democracy?

Research Question 3:

3. Housing as a cornerstone
In this study a cornerstone is defined as a benefit which has less to do with the provision of shelter alone and more to do with the provision of a wider base of security and independence.
Q3.1 Do you support this statement? If, yes what are elements of the South Africa Low Income Housing Policy make it a cornerstone for development? If not, kindly share your views.

4. **Housing as a lever for change**

In this study a lever for socio-economic change is defined as a trend that housing would not only become more important in the provision of shelter but also in the intergenerational transfer of wealth making welfare state public services less universal, and more restrictive to a select few.

Q4.1 Is the South African low income housing policy capable of creating wealth across generations?

Q4.2 In your view, does the South African low income housing policy contribute to the socio-economic growth of South Africa?
APPENDIX 3: Informed consent Form

GIBS RESEARCH PROJECT – SOUTH AFRICAN HOUSING POLICY

I am a final year Masters of Business Administration (MBA) student at the Gordon Institute of Business Science (GIBS). I am conducting research on whether the South African housing policy is a wobbly pillar, a cornerstone or a lever for socio-economic growth and I am trying to obtain different perspectives from the different spheres of government, housing institutions, and non-governmental organisations. The research also aims at understanding whether South Africa is perceived as a welfare state or a developmental state particularly in the context of the National Development Plan, 2030.

Our interview is expected to last about 45 minutes. Your responses will help us understand the challenges and benefits of the South African Housing Policy. This research forms part of the requirements for the completion of an MBA degree with the (GIBS). Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential. If you have any concerns, please contact me or my supervisor. Our details are provided below.

Participant's Name & Signature:

Contact details:

Researcher Name: Sindisiwe Z. Nyandu-Sithole
Email zandi.sithole@ymail.com
Phone 078 037 8723

Research Supervisor Name: Dr Trevor Taft
Email trevor@cihp.co.za
Phone 083 553 6318
# APPENDIX 4: List of Interviewed Participants

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