FACTORS AFFECTING HOUSING DELIVERY

IN SOUTH AFRICA:

A CASE STUDY OF THE FISANTEKRAAL HOUSING

DEVELOPMENT PROJECT, WESTERN CAPE

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Declaration

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part, submitted it at any university for a degree.

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Date

Acknowledgements

Abstract

This study examines the issue of housing delivery in South Africa since the democratic elections in 1994. The case study of Fisantekraal, a low-income housing project situated close to Cape Town in the Western Cape, illustrates the challenges associated with housing delivery and allocation. The study illuminates the main issues associated with housing allocation and delivery, as well as how these processes were managed in the said housing project.

The study is descriptive in nature and explores the relationship between housing policy and practice. The method of Policy Analysis for Sustainable Livelihoods was employed because it emphasises the significance of the processes that formulate and enlighten policy. Additionally, it places the spotlight on the livelihood priorities of vulnerable groups and the impact policies and institutions have on them in terms of accessibility to livelihoods assets, such as housing.

The national housing policy is discussed as a response to the severe housing need experienced in South Africa, resulting from high population growth, smaller households, urbanisation and the Apartheid legacy. The key variables known to influence the rate of housing delivery such as financial constraints at local government level, under-spending due to capacity constraints, insufficient resource allocation and a lack of suitable land, are discussed in this regard.

Key findings suggest that, as in other developing countries, providing adequate housing will remain a contentious issue so long as the demand outweighs the government's ability to provide housing. The Fisantekraal case study illustrates how housing delivery takes place in practise. Despite its definition as a low-income housing project, it managed to succeed in providing a settlement that is situated on the periphery of an urban hub, thereby providing access to resources and facilities to the residents. However, the project was not exempt from challenges in the process of allocating and

delivering housing, especially with regard to the selection process of beneficiaries against the backdrop of an ever-increasing influx of people.

Opsomming

Hierdie studie ondersoek die kwessie van aflewering van behuising in Suid-Afrika sedert die demokratiese verkiesing in 1994. Die gevallestudie van Fisantekraal, 'n lae-inkomste behuisingsprojek geleë naby Kaapstad in die Wes-Kaap, illustreer die uitdagings wat saamgaan met behuisingsaflewering en allokasie. Die studie werp lig op die belangrikste kwessies wat geassosieer word met behuisingsaflewering en allokasie, asook die wyse waarop hierdie twee prosesse in die betrokke behuisingsprojek bestuur is.

Die studie is beskrywend van aard en ondersoek die verhouding tussen behuisingsbeleid en praktyk. Wat metodologie betref is die metode van 'Policy Analysis for Sustainable Livelihoods' gebruik omdat dit die belangrikheid beklemtoon van daardie prosesse wat te doen het met die formulering van beleid. Aanvullend daartoe werp dit lig op die bestaans-prioriteite van kwesbare groepe en die impak wat beleid en instellings op hulle het m.b.t. bestaans bates soos behuising.

Die nasionale behuisingsbeleid word bespreek as 'n reaksie op die ernstige behuisingsnood in Suid-Afrika. Laasgenoemde is op sy beurt 'n gevolg van hoë bevolkingsgroei, kleiner huishoudings, verstedeliking en die nalatingskap van Apartheid. Bekende faktore wat die aflewering van behuising beïnvloed soos finansiële beperkings op plaaslike regeringsvlak, onder-besteding as gevolg van 'n gebrek aan kapasiteit, onvoldoende allokasie van hulpbronne en 'n gebrek aan geskikte grond word in hierdie verband bespreek.

Sleutel bevindings van hierdie studie suggereer dat, soos in ander ontwikkelende lande, die voorsiening van voldoende behuising 'n omstrede kwessie sal bly so lank as wat die vraag na behuising die regering se vermoë om laasgenoemde te voorsien, oorskry. Die Fisantekraal gevallestudie illustreer hoë behuisingsaflewering in die praktyk plaasvind. Ten spyte daarvan dat dit 'n lae-inkomste behuisingsprojek is, het dit daarin geslaag om verblyf te voorsien op die rand van 'n stedelike kern en het sodoende toegang

tot hulpbronne en fasiliteite vir sy inwoners moontlik gemaak. Die projek was egter nie sonder sy probleme nie wat die voorsiening en allokasie van behuising betref, veral m.b.t. die seleksieproses van begunstigdes teen die agtergrond van die toenemende instroming van mense.

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Chapter One: Introduction

1.1 Background to the Study

Over the last few years, many communities have shown their growing dissent over the government's perceived poor levels in service delivery. These issues have become regular news items and are thus highly publicised and politicised. Although the new democratic government has made significant progress in meeting many service delivery challenges, in under-serviced areas since coming to power in 1994, much needs to be done to address the many housing problems that still exist. One of the biggest service delivery problems in South Africa, concerns the allocation and provision of housing.

Housing is a highly politicised and contentious issue, particularly in developing countries like South Africa, which experience rapid urbanisation and where, as a result, huge competition for housing exists. Although shelter is a basic human need, it is also more than that: "[h]ousing is about everything other than houses. It is about the availability of land, about access to credit, about affordability, about economic growth, about social development, about environment" (South African Minister of Housing, cited in Khan, 2003: xxiii). In addition to these, it also implies gaining access to services and infrastructure, as well as creating feelings of security and pride in living in a home. The significance of this research project is thus motivated by a passion for finding developmental solutions to the housing delivery issues in South Africa.

1.2 The Housing Context in South Africa

Not only is South Africa characterised by a swiftly growing society that is becoming more and more urbanised, but it also has to deal with highly unequal and racially stratified settlement patterns, resulting from its apartheid legacy. This legacy has caused the confinement of the majority of non-white South Africans, to certain areas, usually located on the periphery of urban centres, excluded from service delivery, infrastructure and work

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opportunities. Furthermore, a large and ever-increasing housing backlog is evident, due to very low rates of formal housing provision. Housing backlogs therefore persist and housing authorities struggle to cope with severe housing shortages.

According to the White Paper on Housing (1994), the challenge of extended households and circulatory migration further add to the difficulty of addressing the housing issue. The consequences of this backlog are obvious and manifested in overcrowding, informal settlements, increasing land invasions in urban areas, and generally the poor access to services in rural areas. Additionally, the backlog spawns individual and public insecurity and frustration in both the social and political arenas. This adds significantly to the extreme levels of crime and volatility rife in many communities in South Africa (White Paper on Housing, 1994). Insecure tenure is unquestionably one of the prominent features and causes of the housing crisis in South Africa.

Furthermore, large inequalities exist in housing circumstances between rural and urban areas, between different urban areas, as well as between different provinces. This is exacerbated by the fact that many South Africans are not financially able to provide for their own housing needs, as low-income families form a large proportion of South Africa's population (White Paper on Housing, 1994).

In the past, the South African housing policy was duplicated and inequitable in its approach to housing for different race groups. The housing strategy lacked coherency and inadequately defined the roles and responsibilities of all role players in the housing sector. This has contributed to the present breakdown in delivery and confusion as to housing responsibilities. The White Paper on Housing (1994) identifies the following specific areas of concern, "the exclusion of rural housing needs from the mainstream of housing policy approaches, as well as the continued marginalisation of workers and families effectively trapped within the hostels, especially those within the public sector".

These constraints provide a brief synopsis of the scope and extent of the South African housing challenge. "However, all of them are dwarfed by the single most significant constraint to the housing delivery process, that of affordability" (White Paper on Housing, 1994).

1.3 Aim and Research Question

The aim is to analyse the process of, and conflicts involved in, housing delivery in the Fisantekraal Housing Development Project, against the backdrop of the South African housing need and housing policy. In this way the study wants to illuminate the relationship between housing policy and housing practice.

The research question of this study is as follows: "Firstly, what are the main issues associated with housing allocation and housing delivery in the FHDP, secondly, how were these processes managed in the chosen case study ?"

1.4 Structure of the Study

Chapter Two introduces the reader to the relevant literature regarding urbanisation, migration and housing delivery, in both developed and developing countries, with a specific focus on South Africa. Housing in South Africa is discussed by explaining the housing need and current housing backlog. The South African National Housing Policy framework is introduced and the National Housing Policy is discussed. Attention is then shifted to describing the Breaking New Ground plan as well as the housing allocations policy and housing delivery process. Lastly, the main issues associated with the process of housing delivery will be highlighted and explained.

Chapter Three discusses the methodology used to do this study. The research design and procedure will be explained. The researcher will also explain how information was gathered and how interviews and discussions were arranged and conducted. Issues regarding

reliability and validity of the data will be addressed and finally, obstacles and hindrances experienced in the data collection process will be touched upon.

Chapter Four analyses the data. The Fisantekraal Housing Development Project will be assessed and described in terms of its setting and background and the housing delivery process for phases one and two will be discussed. The conflicts associated with this process will also be brought to light.

Chapter Five is a summary of the main findings of the study. The researcher draws conclusions from the Fisantekraal Housing Development Project (FHDP) and discusses these in relation to the literature. Lastly, recommendations for improved housing delivery will be offered.

Chapter Two:

Factors Affecting Housing Delivery in South Africa and Beyond

2.1 Introduction

Housing and housing provision has become a highly contentious, emotive and political issue. Upon investigating the issues surrounding housing, one realises that housing is more than just shelter, as Charlton (2004: 2) suggests. Similarly, the form of tenure operating in a housing situation is a crucial consideration. "This relationship between house-dweller and land, or the accommodation and the land, may range from various informal occupations and rental scenarios to full freehold ownership" (Charlton, 2004: 2). In essence, according to Charlton (2004: 2), the security of tenure is of cardinal importance "from viewpoint of the occupier, or house-dweller".

The physical aspects of housing also need to be considered. Housing refers to more than the tangible house structure and includes the infrastructure and services that supply the house. These include the nature of the water, sanitation, energy and access (roads, footpaths, etc.) (Charlton, 2004: 3). In addition, the neighbourhood in which the house is situated is significant. The living experience of a residential environment is dependent upon the availability and accessibility of facilities and amenities (schools, clinics, police stations, sporting facilities, etc.) in urban settings (Charlton, 2004: 3). The connection between housing and income generation, Charlton (2004: 3) notes, is also crucial. Location is usually emphasised – the location of housing in relation to the 'higher order' services and facilities in an urban area, such as hospitals, tertiary institutions and art facilities, and crucially, the location of work opportunities. In this regard, travel and transport are also vital – "how convenient, safe and affordable are the means of moving from home to work or to other facilities" (Charlton, 2004: 3).

The diminishing role of formal jobs in the lives of the poor has been acknowledged and more emphasis has been placed on the escalating importance of a range of income generation and survival strategies, and the linkage between these and the home

environment. Charlton (2004: 3) explains that "a key issue is the role that the house can play in supporting livelihoods – through, for example, a prime location in the inner city that reduces commuting time and allows a hawking and vending business to flourish". In other words, the house is important not only for what it is, but for what it does in peoples' lives (Charlton, 2004: 3). In this sense, the house should be an asset to the occupier – either a financial asset with an exchange value, or an asset with a user value, or preferably both. In addition, the housing stock as a whole in an urban area should be an asset to the local authority – a means of generating rates for the city, rather than a maintenance burden which is a financial drain to the city (Charlton, 2004: 3).

After having established the many different aspects that are implicit in talking of houses and housing, the discussion will move to the issues experienced in developing and developed countries, with regard to housing. In order to understand the gravity of the housing situation, growing urbanization trends will be highlighted. The chapter then seeks to illustrate the South African housing context, by firstly examining the housing need, and then describing the role of housing in the political and social arenas. The housing policy adopted by the South African government is introduced, after which the relationship between policy and practice is examined. The question of who needs what from housing policy is interrogated towards the end of this section.

The housing allocations and delivery process in South Africa is analysed by sketching the allocations process. Attention is then drawn to South Africa's housing delivery performance. Finally, factors influencing the rate of housing delivery are discussed. These factors include issues such as the South African historical context, urbanisation and migration, financial constraints and the lack of available suitable land and buildings. The chapter concludes with a discussion of the main points and key findings that are instrumental in the analysis of this study.

2.2 Housing Issues in Developing and Developed Countries

This section discusses the differences in housing provision between developing and developed countries. Urbanisation is highlighted on a global level, after which the housing issues in the developing world are analysed.

In 2000, the world's population reached 6.1 billion and it is growing at an annual rate of 1.2% or 77 million people per year (United Nations Centre for Human Settlements, nd: 1). A 2007 UN Population Report (nd: 1) projects that in 2008 more than half the world's human population, 3.3 billion people, will be residing in urban areas. By 2030, the UN expects this number to swell to almost five billion. "Many of the new urbanites will be poor. Their future, the future of cities in developing countries, the future of humanity itself, all depend very much on decisions made now in preparation for this growth" (United Nations Population Fund, 2007: 1). In light of these alarming projections from the UN, it is interesting to note that in the 1950s, as much as 68% of the world's population resided in developing countries, with 8% in least developed countries (United Nations Centre for Human Settlements, nd: 1). Only 30% of the global population was urbanised (United Nations Centre for Human Settlements, nd: 1).

Although large numbers of urban migrants will be expected in cities, Figure 2.1 below demonstrates that rates of urban growth have been falling steadily in recent decades. This is partly due to the fact that as cities grow, it takes a greater increase in population to impact the same velocity of growth as when it was smaller (United Nations Centre for Human Settlements, nd: 1).

Figure 2.1: Average Annual Rate of Change of the Urban Population of major regions, 1950-2030
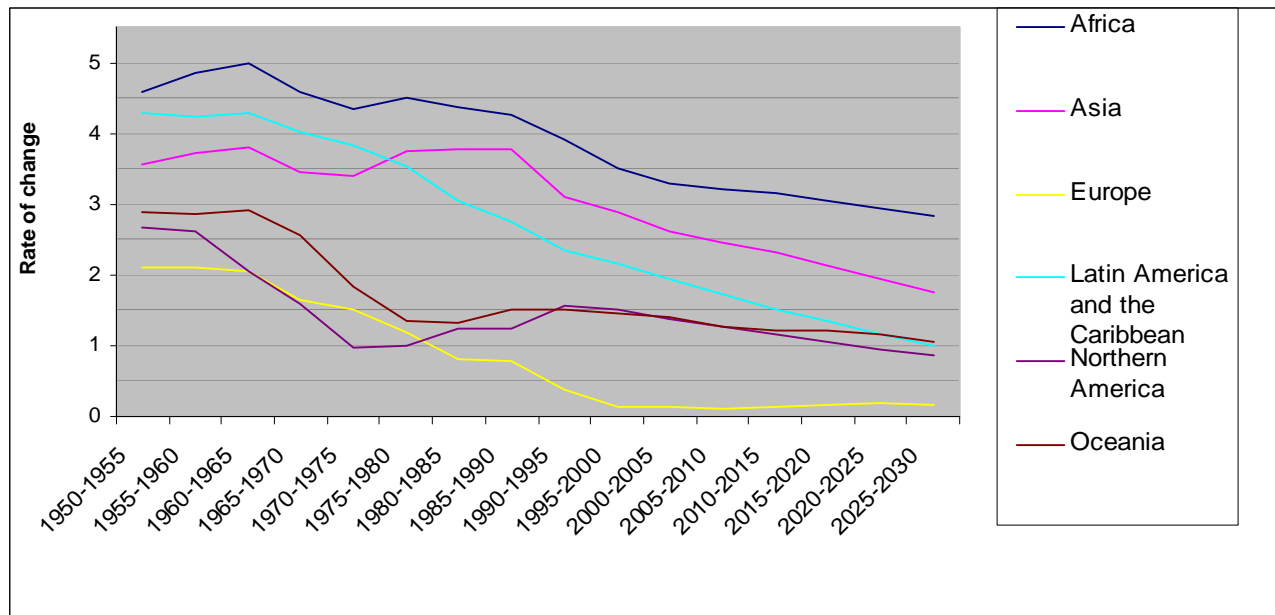
(Adapted from: The United Nations Population Fund, 2007: 1)

Figure 2.2 illustrates that urbanisation patterns vary considerably from one region to another. The developed regions (Europe, North America and Oceania[1]) have already attained high levels of urbanisation, and given their overall levels of population growth, are not expected to experience serious growth in their cities during coming decades. Levels of urbanisation in Asia and Africa are considerably lower than in all other regions. That is, the majority of the population in Africa and Asia still live in rural areas. Under the combined influence of globalisation and continued population growth, cities are expected to grow at a rapid rate in these two regions.

It is projected that between 2000 and 2030, Asia's urban population will nearly double, from 1.36 to 2.62 billion. Furthermore, it is believed that Africa's population will more than double from 294 to 742 million. By 2030, Africa and Asia will include almost seven out of every ten urban inhabitants in the world.

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[1] Oceania (sometimes Oceanica) is a geographical, often geopolitical, region consisting of numerous lands—mostly islands in the Pacific Ocean and vicinity. The exact scope of Oceania is defined variously, with interpretations often including Australia, New Zealand, New Guinea, and various islands of the Malay Archipelago. (http://en.wikipedia.org/wiki/Oceania)

Figure 2.2: Percentage of the Total Population Living in Urban Areas, by Region, 1950-2030
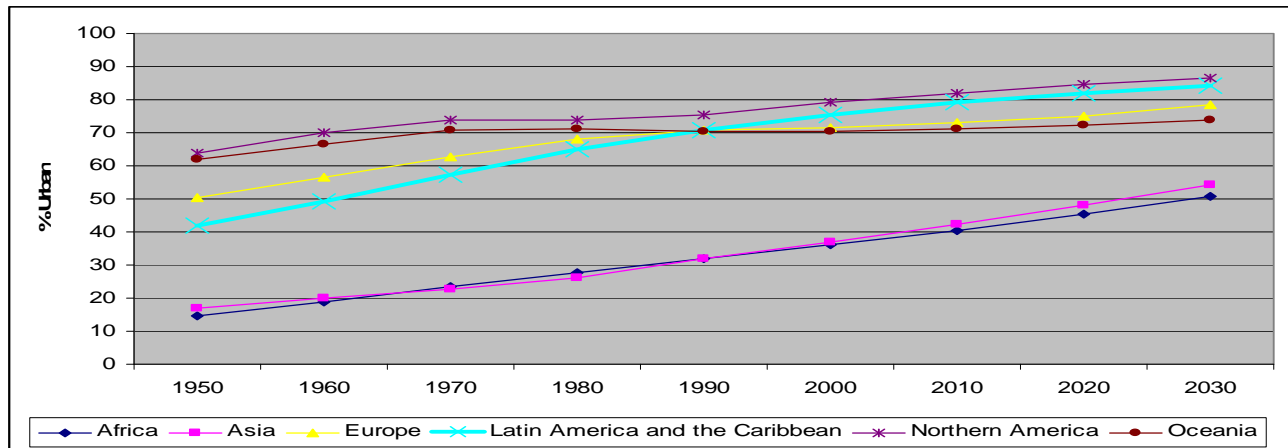
(Adapted from: The United Nations Population Fund, 2007: 1)

"... The accumulated urban growth of these two regions during the whole span of history will be duplicated in a single generation" (United Nations Population Fund, 2007: 1). Alarmingly, the population of cities in Africa and Asia will be larger than the number of people living in China and the United States combined. This emphasises the point that although less than 50% of Africa's population is urbanised, the major wave of urbanization is still to come. Urbanisation and population growth are already huge factors in housing provision.

The United Nations Population Fund (2007: 1) warns that in the next couple of decades, we will bear witness to an exceptional scale of urban growth in the developing world, despite the rapid urban growth during the 20th century, from 220 million to 2.8 billion people. By 2008, more than half of the world's population will be staying in cities. However, while the majority of these people are likely to live in cities of 500 000 inhabitants or less, cities of 10 million or more will continue to grow (United Nations Population Fund, 2007: 1). According to Mthembi-Mahanyele (2002: 2), it is here, in the escalating nature of cities in some of the poorest countries in the world, that the fundamental challenge of housing provision lies.

This urban growth results in a myriad of critical issues, including "high levels of urban unemployment and underemployment, extreme pressures upon urban services and

infrastructure, congestion, pollution as well as other forms of environmental deterioration, and significant shortfalls in the provision of housing for new urban residents" (Choguill, 1995: 403).

For many Western housing analysts at the beginning of the twenty-first century, the housing question appears to have been answered. Forrest (2003: 1) continues by stating that "due to liberal space standards and the relatively high standard of amenity provision, the vast majority of Western households are reasonably well housed". For Western governments, absolute housing shortages are seen generally as a thing of the past (Forrest, 2003: 2). Housing policies are targeted more specifically at certain groups – single parents, or lowest income households – "or at the new housing demands of demographic ageing rather than as general strategies to raise standards or widen access". Western governments are also more likely to be concerned with an ageing infrastructure and urban regeneration than with mass provision for an expanding population of urban dwellers (Forrest, 2003: 2).

According to Forrest (2003: 2), most Western housing markets are well established on the whole, boasting mature institutional structures. Other housing markets have been rattled in recent years by price instability and wider economic uncertainty. Having said this however, the majority of these markets have generally recovered (Forrest, 2003: 2). Forrest (2003: 2) concludes that most academic debate about Western housing is likely to be expressed "in terms of choice and diversity, and in terms of postmodernism and post-Fordism, rather than in the starker language of deprivation, exploitation and urban poverty".

By contrast, there is a housing crisis in the "Third World" (Aldrich & Sandhu, 1995: 17). Large increases in the urban population of developing countries have dramatically increased the demand for housing. Urban problems in developing countries have become more acute as people migrate to the cities in search of a 'better life', which in turn, places more pressure on urban infrastructure and the physical environment (Aldrich & Sandhu, 2003: 23). People in Third World countries have been moving from rural to urban spaces since the end of World War II.

In the cities of the developing world, one out of every four households lives in poverty (Oosthuizen, 2003: 10). According to Pugh (1995: 43), housing poverty is intensified when any combinations of the following occurs – "incomes are reduced, particularly among low-income groups; housing costs and interest rates increase, especially when the increases outpace any growth in incomes and the general index of prices; and utility services and infrastructure are under-maintained and capital installation programmes are cut back in low-income areas where populations are, perhaps, increasing". Pugh (1995: 43) explains that the urban poor are especially susceptible to these problems, "both directly in the impact upon their living conditions, and indirectly in the housing-related consequences when moderate- and middle-income groups are adversely affected". When moderate- and middle-income groups experience higher housing costs and decreased incomes, housing supplies are limited and competitive pressures increase in the housing system as a whole. Consequently the low-income groups then face inadequate housing supplies and higher costs in growing urban areas (Pugh, 1995: 43).

As the populations increase, the carrying capacity of the rural land is exceeded and large numbers of rural residents relocate to the larger cities, which have been the seat of "colonial administrative and economic activities" (Aldrich & Sandhu, 1995: 23). Consequently, many people are 'pushed' out of rural areas because of a lack of space – since the land cannot support the number of residents – and are 'pulled' to the cities by the attraction of employment, higher standards of living and more variety (Aldrich & Sandhu, 1995: 23).

2.3 Housing in South Africa

As seen from the previous sections, urban growth is experienced more acutely in developing countries and South Africa is certainly no exception. In this section, the housing need and the role of housing in South Africa will be discussed.

2.3.1 Historical Background

The most pertinent question regarding housing and human settlements today, "is whether or not development in the field of sustainable human settlements since 1994 has served to further the course of sustainable development, with respect to the inter-linked pillars of environmental, social and economic sustainability" (Department of Housing, 2004: 2).

As alluded to, the South African housing context is marred by its colonial and apartheid planning inheritance, high levels of unemployment and a lack of social stability, linked to poverty among urban and rural communities (Department of Housing, 2004: 2). In the late 1970s, the Surplus People's Project established that as many as three million black people had been forcibly removed under apartheid measures like the Group Areas Act, 'black spot removals' and the eviction of labour tenants from farms. From the 1950s, the next 30 years saw the systematic destruction of housing and houses were not built for blacks in urban areas (De Beer, 2001: 2). As a result of the policies and political turbulence of the pre-democratic era, the housing market inherited by the new South African government in 1994 was hindered by severe abnormalities.

Lack of access to even the most basic municipal services, limited or no access for the poor to land for housing, and a highly destabilised housing environment, added to the housing crisis. At the time of the democratic elections, South African cities were characterised by dire housing and services backlogs, inequalities in municipal expenditure, the spatial anomalies associated with the 'apartheid city', profound struggles against apartheid local government structures, high unemployment and many poverty stricken households (Pillay, Tomlinson & du Toit, 2006: 1).

Shortly after democracy, the South African housing market, according to the National Department of Housing (2000: 2) was characterised by severe housing shortages and lack of affordability, where a significant number of South Africans could not, and still cannot, independently provide for their own housing needs. In addition, the housing policy was fragmented; the administrative systems stemmed from inconsistent funding

and a lack of role definition and defined lines of accountability led to a 'depressed housing sector' which displayed a lack of capacity, both in terms of human resources and materials (Department of Housing, 2000: 2).

Furthermore, non-payment of housing loans and service payment boycotts during the 1980s affected many households. For a variety of reasons, including this non-payment of housing loans, many lenders were hesitant to lend to low income families, resulting in a lack of end user finance. Slow and complex land identification, allocation and development processes resulted in insufficient land for housing development purposes (National Department of Housing, 2000: 2). Other obstacles included the unsuitable standards in terms of infrastructure, service and housing standards, which led to difficulties in providing affordable housing products. Major differences in housing requirements were experienced between provinces and the special needs of women needed to be addressed. Inexperienced housing consumers face many challenges including "unscrupulous operators who steal their money" (National Department of Housing, 2000: 2). Lastly, many cultural groups in South Africa have a culture of building, where individuals and households are able to build their own homes, allowing them the opportunity of saving money.

The context in 1994 was outlined in the White Paper on a New Housing Policy and Strategy for South Africa. It highlighted the conditions prevailing at the time with particular focus on the poor. It was estimated that over 66% of South Africa's population was functionally urbanised[2]. The remaining 34% of the total population resided in rural areas, many of whom would spend part of their working lives in the urban areas (10 Year Review, 2004: 16). Approximately 58% of all households had secure tenure whereas an estimated 9% of households lived under traditional, informal/inferior and/or officially unrecognised tenure arrangements in rural areas. An additional estimated 18% of all households were forced to live in squatter settlements, backyard shacks or in overcrowded conditions in existing formal housing in urban areas, with no formal tenure

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[2] "Functional urbanised areas include urban, peri-urban (concentrations of people commuting to proclaimed towns for employment, shopping and other purposes) and semi-urban populations (concentrations of people in excess of 5 000 people) (Calitz, 2000: 39).

rights over their accommodation. This pattern of insecure tenure is without a doubt one of the prominent features and causes of South Africa's housing crisis in 1994. The tenure situation, which is an indication of the patterns of distribution of physical assets, was further characterised by an unequal spread of home ownership according to income, gender and race (10 Year Review, 2004: 16).

The newly elected ANC government's commitment to addressing these issues can be traced to the 1994 Reconstruction and Development Programme (RDP). The RDP was the ANC government's manifesto for a post-apartheid South Africa. The RDP was committed to meeting the basic needs of all South Africans. These basic needs included, among others, water and sanitation, land and jobs. The RDP was also tasked with the restructuring of local government in order to address these needs, as local governments were to become central in overcoming the backlogs (Pillay et al, 2006: 1). RDP housing was a package involving secure tenure, land, a top structure and the supply of water, sanitation and electricity (Mthembi-Mahanyele, 2002: 6).

The government also faced another enormous difficulty. It was not known at the time, how many households suffered from services backlogs; what household incomes were and what levels of services they might afford; whether local government had the capacity to deliver these services as well as knowledge of alternative means of ensuring service delivery (i.e. public-private partnerships); and how the capital and operating costs were to be financed.

To redress the housing situation in which the poorest were housed in the least adequate housing located furthest from economic opportunities, the Housing Department embarked on addressing the challenge of "Housing the Nation". The department's main aim has been to address the needs of households most in need and who are inadequately housed, through progressive access to secure tenure (10 Year Review, 2004: 16). By the late 1990s, housing specialists had begun raising concerns that the delivery of RDP houses was inadvertently creating unviable, dysfunctional settlements. From about 1999 onwards, therefore, there has been increasing focus by the Department of Housing on the intention to produce 'quality' rather than mere quantity (Charlton & Kihato, 2006: 257).

According to Charlton and Kihato (2006: 254) the post 1994 housing programme has been highly significant in numerous ways. Housing delivery has been important in demonstrating the distribution of a tangible asset to the poor, and in this sense it can be argued to have played a key role in establishing a degree of legitimacy among low-income households. In addition, "it is contended that the government housing programme is one of the few state interventions which places a physical asset directly in the hands of households living in conditions of poverty" (Charlton & Kihato, 2006: 254). The extent to which the household is then able to make use of that asset in the improvement of their livelihood and to boost their "broader portfolio of assets" (i.e. human, social, natural and financial) is a key indicator of the successful outcome of housing policy (10 Year Review, 2004: 16). The National Housing Policy that has been formulated and implemented since then, is strongly influenced by the need to address and normalize these problems (Department of Housing, 2000: 1).

2.3.2 The Role of Housing

As previously stated, the RDP served as the election 'manifesto' of the African National Congress in 1994. This collection of policies conceptualised a significant role for housing and it is argued that housing should play a pivotal role in economic growth and development. Housing delivery was seen as a means to kick-start growth with development. According to this view, the delivery of houses satisfied basic needs and simultaneously stimulated the economy (Hassen, 2003: 117). It does so by the imperative role it plays in the economy, by generating income and employment, according to the Macro-Economic Research Group (MERG) (Hassen, 2003: 117). Secondly, housing can act as a stimulus to growth in kick-start scenarios – "with construction creating demand across sectors with high levels of employment-intensity, with limited demands on the balance of payments and with the potential, in South Africa, to be non-inflationary, since there is ample excess capacity[3]" (Hassen, 2003: 117).

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[3]   "This understanding of housing delivery is based on government boosting aggregate demand in the economy through public investment. Boosting demand would stimulate other sectors through its backward and forward linkages. The Keynesian assumption that state intervention was needed to ensure full employment and equitable distributional outcomes implicitly served as the basis for these arguments" (Hassen, 2003: 117).

In the vision of the RDP, housing played two important roles, firstly in catalysing development and secondly, in terms of directing government spending. In this sense, according to Hassen (2003: 117), housing could be considered as a 'lead sector'. As a result, the provision of housing held the promise of both boosting the attainability of physical assets (i.e. housing, water, electricity and land), and reinforcing multiplier effects in the economy. These economic multipliers associated with housing, Hassen (2003: 117) states, were perceived to function in various ways. Firstly, as the government set the wheels in motion for extending housing to the people, the demand for materials used in the construction of houses would increase. Therefore, greater employment in industries supplying bricks, cement and other materials was predicted (Hassen, 2003: 117). Secondly, as the construction of houses increased, so too would employment in the construction industry. The third consequence of housing provision, according to Hassen (2003: 117), is that homeowners would add value to their properties in a variety of ways, leading, as anticipated, to the wider stimulation of the economy. Lastly, through business development and through benefits associated with agglomeration the provision of housing would provide income-generating opportunities (Hassen, 2003: 117).

Housing as a lead sector was centrally established upon the use of housing as a means to integrate cities and towns (Hassen, 2003: 117). According to Hassen (2003: 117), it was debated that low income housing provided the government with an opportunity to mediate in the property market and demolish the apartheid spatial form. "The apartheid spatial form – guided by racial and territorial segregation – fragmented areas and fuelled low-density development, which, apart from producing dormitories and sterile living environments for the majority, reduced thresholds for business activity" (Hassen, 2003: 118). Integrated development planning is premised on increasing densities, co-ordinating public investment, encouraging business development, and connecting transport and land-use planning. According to this planning approach, housing delivery was aimed at developing townships economically as well as reconstructing urban space (Hassen, 2003: 118).

2.3.3 The Housing Need and Current Backlog

According to the Department of Local Government and Housing (2005: 14), 'need' refers to human needs and requirements. It is vital that the needs of people who reside in space in the urban environment are taken into consideration, especially when decisions are to be made and actions taken. "The exact need has to be established in terms of whom, where, what people can afford and whether they want to buy or rent, also taking into consideration the housing list and migration statistics and related issues" (Department of Local Government and Housing, 2005: 14).

Thus far, in terms of satisfying this 'need', the National Department of Housing has produced 2,4 million houses in the last 12 years (Sisulu, 2007). "To give you some idea of the sheer impact of it, when you consider that the average poor household consists of five people, this would mean we have housed more than four times the population of Cape Town" (Sisulu, 2007). According to Sisulu (2007) the 'backlog barrier' has been breached and more houses have been provided than there are people existing in the backlog. The housing backlog has been reduced from 2,4 million houses and currently stands at 2,2 million. According to the Department of Housing, the housing backlog challenge is steadily being overcome. Sisulu (2007) further states "this is the first time in our history that our backlog has been less than the number of houses produced. Put differently, we have housed more people than those needing houses". In terms of the Western Cape, the housing backlog in the province for 2007/2008 is calculated to be approximately 410 000 (Community Engineering Services, 2006). Table 2.1 illustrates how this total is comprised.

Table 2.1: Western Cape Housing Backlog in Relation to Allocation 2007/2008

AREA	HOUSING BACKLOG	2007/2008 ALLOCATION
City of Cape Town	300 100	R 707, 037, 139.00
Cape Winelands	385 22	R 93, 080, 635. 00
Eden	353 80	R 64, 474, 439. 00
West Coast	158 76	R 26, 737, 897. 00
Overberg	174 27	R 49, 300, 455. 00
Central Karoo	25 22	R 12, 412, 981. 00
PROVINCIAL TOTAL	**409 827**	**R 953, 043, 546. 00**

(Adapted from: Community Engineering Services, 2006)

2.4 South Africa's Housing Policy

In the next section, a background is sketched with regards to the formulation of the South African National Housing Policy framework. The main strategies underpinning the housing policy will be discussed, after which the challenges and constraints facing this housing policy will be brought to light. The Breaking New Ground (BNG) strategy will then be introduced against this backdrop.

2.4.1 Background to the National Housing Policy

The formulation of South Africa's housing policy commenced prior to the democratic elections in 1994, with the creation of the National Housing Forum (NHF). This forum was a multi-party, non-governmental negotiating body, comprising of nineteen members from business, the community, government and development organizations. At these negotiations, a number of elaborate legal and institutional interventions were researched and developed. The Government of National Unity in 1994 made use of these negotiations and investigations when it formulated South Africa's housing policy (National Department of Housing, 2000: 3).

In October 1994, a National Housing Accord was signed by a range of stakeholders representing the homeless, government, communities and civil society, the financial sector, emerging contractors, the established construction industry, building material

suppliers, employers, developers and the international community. This accord formed the basis of the common vision that shaped the core of South Africa's housing policy today (National Department of Housing, 2000: 3). The White Paper on Housing followed the National Housing Accord, in December 1994 and sets out the framework for the National Housing Policy. All policy, programmes and guidelines that followed, fell within the framework set out in the White Paper (National Department of Housing, 2000: 3).

Furthermore, the promulgation of the Housing Act in 1997 legislated and extended the requirements set out in the White Paper on Housing (see appendix 1). The significance of the Housing Act lies in its alignment of the National Housing Policy with South Africa's Constitution and for clarifying the roles and responsibilities of the three spheres of government: national, provincial and municipal. Additionally, the Housing Act stipulated the administrative procedures for the development of the National Housing Policy (Department of Housing, 2000: 3).

2.4.2 National Housing Policy Framework

According to the National Department of Housing (2000: 3), South Africa's housing vision comprises the overall objective to which all implementers of housing policy should work. The Housing Act (1997: 4) states that the South African housing vision is "the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic, will, on a progressive basis, have access to permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements, and potable water, adequate sanitary facilities and domestic energy supply".

While this vision has a broad notion of human settlements, the national housing goal is phrased in terms of the delivery of houses. This is "to increase housing delivery on a

sustainable basis to a peak level of 350 000 units per annum until the housing backlog is overcome" (National Department of Housing, 2000: 5).

In order to achieve this, the Department of Housing (2004: 3) endorses low-cost housing by mobilising housing credit for beneficiaries and builders through two mechanisms. The first is the National Housing Finance Corporation (NHFC), which provides comprehensive capital for intermediaries lending to the target group; and the second is the National Urban Reconstruction and Housing Agency (NURCHA), which provides guarantees for the housing development sector to ensure access to capital (Department of Housing, 2004: 3).

In order to provide quality low-cost housing, the National Home Builders Registration Council (NHBRC) administers a warranty scheme that sets norms and standards for the construction of low-income housing. All low-income houses built need to act in accordance with the warranty as a part of the housing construction process (Department of Housing, 2004: 3).

Ensuring secure tenure is a major constituent of the Housing Programme, and subsidy beneficiaries receive freehold tenure with their new home. Other tenure options encouraged are rental and communal tenure, as provided through social housing options. Two acts uphold the right to secure tenure in South Africa, the Extension of Security of Tenure Act (ESTA) which aims to protect people who live on rural or peri-urban land with the permission of the owner or person in charge of the land, and the Prevention of Illegal Eviction and Unlawful Occupation of Land Act (PIE) that prevents illegal evictions and illegal occupation in urban areas (Department of Housing, 2004: 3). As can be seen, there are a number of factors affecting housing and the right to legal occupation of houses.

Thus it can be said that the National Housing Policy is formulated within a framework set out in a number of documents, the most crucial of which is the South African Constitution. The Housing Act is also a vital component, as well as the White Paper on Housing, which forms the fundamental framework for the National Housing Policy. Other key documents

that influence housing policy are: The Reconstruction and Development Programme (RDP), The Growth, Employment and Redistribution Strategy (GEAR), the Urban and Rural Development Frameworks, and lastly, White Papers and policy frameworks pertaining to local governments and the Public Service (National Department of Housing, 2000: 4).

2.4.2.1   *The Main Strategies of the National Housing Policy*

The National Department of Housing (2000: 7) states that South Africa's National Housing Policy is premised on seven key strategies, namely stabilising the housing environment, mobilising housing credit, providing subsidy assistance, supporting the People's Housing Process, rationalising institutional capacity, facilitating speedy release and servicing of land and coordinating government investment in development.

For the purposes of this study, attention will be focused on three of these strategies. Firstly, stabilising the housing environment, secondly, providing subsidy assistance and finally, supporting the People's Housing Process.

In order to stabilise the housing environment, a secure and effective public environment has to be created. Secondly, apparent risk in the low income sector of the housing market needs to be lowered, by ensuring that contracts are maintained and applied and that all parties understand and fulfil their roles and responsibilities (National Department of Housing, 2000:7). The government's approach to attaining this was through the promotion of partnerships and by attempting to build trust within the housing sector, between beneficiaries and service providers.

The second strategy pertains to providing subsidy assistance and involves supporting households that are unable to satisfy their housing needs independently. The most significant principle underlying this strategy is based on the constraints imposed by the need for financial discipline – as the government is not able to supply a sufficient subsidy to cover the costs of providing a formal complete house to every South African family in need. Consequently, the housing policy is founded on the principle of 'width' rather than

'depth', where a large number of families will receive a lesser subsidy, as opposed to a smaller number of families receiving a larger subsidy (National Department of Housing, 2000: 13).

The government acknowledges that the subsidy provided does not itself purchase an adequate house. It therefore promotes partnerships between the provision of state subsidies on the one hand, and the provision of housing credit or personal resources (savings, labour, etc.) on the other. Each provincial housing development fund receives a budgetary allocation from the South African Housing Fund, which obtains its annual allocation from the National Budget. The provincial housing department then decides how much from the Housing Fund will be allocated (National Department of Housing, 2000: 13).

This strategy comprises three programmes which make up the National Housing Programme, namely: the Housing Subsidy Scheme (HSS), the Discount Benefit Scheme (DBS) and the Public Sector Hostels Redevelopment Programme (PSHRP).   For the purposes of this study, the HSS will be highlighted in order to draw conclusions from the policy mentioned in this chapter and the case study described in Chapter Four. The HSS was put into operation on 15 March 1994 and replaced all previous government subsidy programmes. The scheme grants a subsidy to households earning up to R3500 per month, so as to assist them to acquire secure tenure, basic services and a top structure.

A person is eligible for a housing subsidy subject to the following criteria: his/her household income is not more than R3500 per month; he/she is a South African citizen or permanent resident; he/she is legally competent to contract (i.e. over the age of 21 and of sound mind); he/she is married or cohabiting; he/she is single and has dependants; he/she is acquiring a home for the first time and lastly, he/she has not received a housing subsidy previously (National Department of Housing, 2000: 31).

A range of subsidy mechanisms are available: the individual subsidy, the project-linked subsidy, the consolidation subsidy, the institutional subsidy, the relocation assistance subsidy and the rural subsidy (National Department of Housing, 2000: 13).   For the

purposes of this study, only the project-linked subsidy will be emphasised, as it forms the core of the allocation process in the Fisantekraal case study, discussed in Chapter Four. Project-linked subsidies provide for the allocation of housing subsidy funding, to developers to enable them to commence approved housing development projects, and to sell the residential properties created, to qualifying beneficiaries. "The subsidies are therefore ultimately for the benefit of the approved individual beneficiaries" (National Department of Housing, 2000: 25).

A developer instigates, manages and executes the housing project and can be an organisation in the private sector, a public sector institution, a Non-Governmental Organisation or Community Based Organisation. Developers may also encompass joint ventures between a variety of role players or other arrangements. According to the National Department of Housing (2000: 25), once suitable land and potential beneficiaries for a project have been identified, the developer has to make certain that the project site and approach chosen fit within the overall policy for how the subsidy can be used. Secondly, the developer has to prepare a project application and submit it to the Provincial Housing Development Board (PHDB) for approval.

The total amount of the project-linked subsidy is determined by the PHDB. During this process, the PHDB determines the number of residential properties contained in the project. The number of properties that will be sold to beneficiaries in each of the three subsidy bands based on the socio-economic profile of the beneficiary community are determined. The subsidies payable in each of the three subsidy bands are then added together, to arrive at the total subsidy amount payable in respect of the project (National Department of Housing, 2000: 25). Upon the PHDB approving the project after this process, the developer and the PHDB have to agree on how the subsidy will be paid out to facilitate the development process (National Department of Housing, 2000: 25).

Projects will only be favourably considered if it is clear that the project addresses the needs of the disadvantaged communities. New housing developments should endeavour towards the achievement of the basic points of departure of the Housing Policy and Strategy. When upgrading a minimally serviced settlement or providing services to a

settled community, it is vital to ensure that the project is carried out in such a way so as to least disturb the rights and relationships of existing occupants (National Department of Housing, 2000: 25).

The last strategy discussed is that of supporting the People's Housing Process (PHP). The PHP offers training and technical support to families who own undeveloped, serviced property and who want to apply for a housing subsidy to build their own homes (Cape Gateway, 2007). By contributing their labour, as apposed to paying someone else to build their home, these families are able to use their Housing Subsidy and personal contributions to build bigger or better houses for less money. This is because, by contributing labour, the money that would have been used to pay someone else to physically build the house can instead be used to buy more building materials. Houses built through the PHP are larger (36m²) than those built by the Council (30m²) (Cape Gateway, 2007).

It is important to note that The PHP is not a subsidy. It is an agreement between a group of people who qualify for housing subsidies to pool their resources and contribute their labour to the group, so as to make the most of their subsidies (Cape Gateway, 2007).

Dissatisfaction with the quality and suitability of subsidised housing has led to an increasing emphasis on the PHP. The focus on the PHP is likely to realise several objectives, particularly to lessen expectations of delivery of complete houses and call for beneficiary households to add savings or labour. It is also intended to compensate for the declining real value of the subsidy by eliminating profit and most labour costs from the housing construction process; assisting in the release of serviced land before housing delivery; and stem the growing rush of land invasions. "It remains to be seen whether the provinces and local authorities will apply this policy successfully, taking into account the politicians' drive to speed up the delivery of houses and the technocrats' wish to manage the process and form of urban development" (Kahn & Ambert, 2003: xvi). The importance of People's Housing Initiatives, like the People's Housing Process, is emphasised in its valuable contribution to the housing project of Fisantekraal.

Each of these seven strategies is integral to the National Housing Policy. For this reason, government policy must be seen as a package of these seven interrelated and interdependent strategies.

2.4.2.2   Challenges and Constraints Facing the National Housing Policy

The South African government entered a new phase of the housing programme in 2002, aimed at addressing many of the inadequacies in sustainability of housing provision. The chief shifts in policy and programme focus were, firstly, a shift from the provision purely of shelter to building habitable and sustainable settlements and communities, and secondly, a shift in emphasis on the number of units delivered towards the quality of the new housing stock and environments (Mthembi-Mahanyele, 2002: 8).

Between 1994 and 2004, the South African government invested R27.6 billion in housing. More than 1.6 million[4] houses were delivered, affecting the lives of 6.5 million people. Charlton (2004: 3) notes that "it is widely acknowledged that South Africa's housing programme has led to the delivery of more houses in a shorter period than any other country in the world". In comparison with housing delivery across the world, "one must be impressed with what South Africa has achieved" (Charlton, 2004: 3). Despite these achievements however, the urban housing backlog increased from 1.5 million in 1994 to 2.4 million in 2004 (Department of Local Government and Housing, 2005: 8).

Some of the reasons for this increase in the housing backlog are natural population growth, a trend towards urbanisation and inadequate delivery to address historical backlogs. According to the Department of Local Government and Housing (2005: 8), low levels of delivery are caused mainly by insufficient resource allocation and under-spending due to capacity restraints.

The problem was also exacerbated as the housing policy did not provide a range of options to meet all housing needs, most notably there were no strategies for the

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[4] The researcher acknowledges the discrepancy between the figures offered here and those offered on page 17.

upgrading of informal settlements or for the promotion of affordable rental housing (Department of Local Government and Housing, 2005: 8). Baumann (2003: 86) explains that the distinction between the long term 'restructuring' aspects of South Africa's housing policy and the short term 'remedial' objectives, is based on a dichotomy present in South African housing policy. "Remedial" refers to the sentiment that South Africa's housing policy must address a "historically determined backlog in shelter and human settlement conditions with both quantitative and qualitative aspects, mainly affecting coloured and black South Africans" (Baumann, 2003: 87). This is opposed to ensuring mere access to housing opportunities for those who may, to those who may not, have them under present 'market circumstances'. "South Africa's housing backlog is therefore understood as related to both economic inequality and to the ongoing impact of intentional residential discrimination under apartheid" (Baumann, 2003: 87).

South African housing policy does not propose subsidies as the main tool to deliver houses to the poor. Instead, subsidies are viewed as an interim system, dependent on the growth of the economy and the "trickle-down" of resources to the poor, as well as the revision of housing finance markets (Baumann, 2003: 86). The main force of the non-subsidy aspect of housing policy has been to remodel the institutional framework of the commercial housing and finance markets. This 'remodelling' is grounded on the assumption that eventually everyone will be able to buy a house without requiring direct government assistance (Baumann, 2003: 86).

The 1994 White Paper on Housing asserts that beneficiaries can be divided into two broad categories (Baumann, 2003: 86). The first refers to those who are able to access extra financial resources for housing above the subsidy through financial systems (commercial or semi-commercial), because of their employment and income status. The policy assumes that this group will increase over time because of macroeconomic growth strategies (Baumann, 2003: 86). Secondly, Baumann (2003: 86) states that there are those who are unable to participate in housing finance markets and are therefore totally dependent on the government subsidy, at least until growth in real *per capita* GDP is adequate, to enable them to move into the first category.

Due to past racial policies, there is a significant overlap between those in the second category – by nature the poorest and least eligible for housing finance – and black and coloured urban informal and rural impoverished communities (Baumann, 2003: 87). "An income-based subsidy policy targets these South Africans by default, as it were, not because they are black, but because they are poor" (Baumann, 2003: 87).

Some South Africans who were discriminated against under apartheid may benefit from transformations that improve their access to conventional housing finance and markets, while others may not. Baumann (2003: 87) concludes that "it is imperative that we know what proportion of the target group for housing policy falls into the remedial category – solely dependent on the subsidy for housing – and how present housing policy affects them".

The original focus of the subsidy programme was largely on 'the poor' (Charlton, 2004: 5), which was defined in terms of income – those households who earned less than R3500 per month, divided into three sub-categories. Since "more than half the families in South Africa earn less than R1500 per month, the bulk of the expenditure has serviced them" (Charlton, 2004: 5).

Furthermore, disparities in the property market resulted in a fissure in the supply of housing by the market to households with incomes ranging between R3 500 and R7 000. Charlton (2004: 5) notes that the income bands have not been adjusted since 1994, leading to the "criticism that many families above the income cut-off of R3500 per month are undeniably poor, but are not eligible to receive state housing subsidies". The Department of Local Government and Housing (2005: 8) states that the vast majority of people are excluded from the formal housing market – only 15% of households are able to benefit from the potential asset value of housing through being able to buy and sell property through the formal housing market. The People's Housing Project (PHP) approach of assisted self-help housing delivery is capable of providing bigger and better houses and empowering communities, but this has been a small proportion of total delivery, due to a general lack of capacity to provide effective support to communities.

The Department of Local Government and Housing (2005: 8) concedes that there have been many difficulties with housing that have been delivered through the subsidy scheme. Extensive and acute poverty, coupled with the lack of skills transfer and economic empowerment in housing projects have resulted in many beneficiaries being unable to afford the ongoing costs of housing. In order to access the maximum subsidy, a household has to earn a combined income of less than R1500 per month. Charlton (2004: 5) asks how households are to pay for the "product itself and its associated costs, including the upfront contributions to the subsidy and the ongoing services and maintenance costs".

Baumann (2003: 87) explains that this category of South Africans is poor not only because of 'market failure'. Apartheid policies, and those implemented long before apartheid, intentionally resulted in them being poorer and more vulnerable than they might otherwise have been. "In this respect, a market-based, income-driven housing policy may only address part of the causes of their housing poverty" (Baumann, 2003: 87). Many new housing projects lack essential facilities and consist of houses only and the location of new housing projects has tended to emphasize apartheid urban patterns and existing inequities. The poor location and low residential densities of many of these housing projects cannot support a wide range of activities and services in a sustainable way (Department of Local Government and Housing, 2005: 8).

Additionally, problems are experienced with regards to poor construction quality and urban facilities of many new subsidised housing projects. There are severe affordability problems and high levels of non-payment as relatively high rents and levies are needed in order to cover operational costs and loan repayments although social housing (rental and co-operative housing) projects are often better located and of better quality than other projects (Department of Local Government and Housing, 2005: 8). As mentioned, access to well-located land and integration remain fundamental challenges confronting the objective of sustainable human settlement development. Royston (2003: 234) states that most housing subsidy projects have been, and continue to be, located on cheap land in peripheral locations, thereby combining existing apartheid spatial patterns and creating new inequities. The majority of housing projects are developed without sufficient regard

for integration, resulting in the development of mono-functional settlements (Royston, 2003: 234).

According to Khan (2003: 228), "(t)he establishment of viable, socially and economically integrated communities in areas allowing convenient access to a range of amenities and opportunities is without a doubt the main challenge confronting housing policymakers and practitioners alike". In light of the limitations faced by government in meeting the challenge of developing integrated human settlements, more attention should be placed on integrating communities internally – as opposed to externally through creating potentially costly and unproductive connections with established communities.

Arduous barriers are encountered in accessing land and developing low-income housing projects on well-located land. The overwhelming emphasis on delivery of housing units, the subsidy level; the insistence on minimum sized units; and the recently announced move to allocate more subsidies to less-urbanised areas, challenge the prospects for urban restructuring. "If urban restructuring is to be taken seriously, there is a need for substantial shifts in the current orientation and implementation of housing policy" (Todes, Pillay & Kronje, 2003: 271).

Todes et al (2003: 272) warn though, that the restrictions on urban restructuring also need to be recognised. It is quite clear that the inheritance of peripherally located townships and informal settlements will not vanish. Apart from questions of funding, there are social ties and networks, and significant investments in place. Much greater consideration needs to be given to the transformation of these areas, which includes finding ways of expanding local economies in these areas, improving transport, and making life more convenient.

The housing programme is intended to serve broader economic and social development goals than merely the delivery of shelter (Charlton, 2004: 4). Housing is an important constituent of the social welfare system, but it is also a key component of the economy. The Housing Code notes that practices should also "reinforce the wider economic impact

and benefits to the economy of the housing programme (National Department of Housing, 2000: 11).

Housing policy is regarded as the principal mechanism for addressing the phenomenon of informal settlements because the assumption is that informal settlements materialise as a result of a lack of housing (Marx, 2003: 303). Thus, current policy directs attention to different levels of government to devise housing strategies and integrated development plans to meet the goals of integrated, healthier, safer and more vibrant urban areas (Marx, 2003: 303). While housing policy sets out to attain this, the Housing Department, according to Marx (2003: 304) simply has no resources to manage the construction and provision of health facilities and services, protection services, local government or job creation initiatives. "Thus, not only does housing policy fail because of these structural bureaucratic limitations in its ability to implement its vision, but it also fails to acknowledge the prior question of why there is a lack of housing in the first place" (Marx, 2003: 304).

2.4.2.3 *New Direction for Housing Policy: Breaking New Ground*

It is against this backdrop that the Department of Housing introduced the "Breaking New Ground" (BNG) strategy at the end of 2004, which is aimed at directing housing development over the next five years. The BNG plan is required to "redirect and enhance existing mechanisms to move towards more responsive and effective delivery" and strives to "promote the achievement of a non-racial, integrated society through the development of sustainable housing settlements and quality housing" (Department of Local Government and Housing, 2005: 8).

Specific objectives set out by the BNG plan are numerous, and include accelerating the delivery of housing as a key approach for poverty alleviation and utilising provision of housing as a major job creation strategy (Department of Local Government and Housing, 2005: 8). The BNG strategy ensures that property can be considered by all as an asset for wealth creation and empowerment thereby influencing growth in the economy.

According to the Department of Local Government and Housing (2005: 8), crime prevention strategies, promoting social cohesion and improving quality of life for the poor are also listed as BNG's main objectives, by providing community supporting facilities through housing delivery. Additionally, it aims to make use of housing as a tool for the development of sustainable human settlements, in support of spatial restructuring, promoting and facilitating an affordable rental and social housing market and the upgrading of informal settlements (Department of Local Government and Housing, 2005: 8).

The BNG strategy includes a number of major shifts in housing policy, and through the government, aims to put South Africa firmly on the way to create sustainable human settlements, as opposed to merely providing houses. The government's emphasis on the function of BNG in creating integrated sustainable development, wealth creation and alleviating poverty, are somewhat optimistic. BNG, in essence then, aims to ensure that present and future residents of such settlements will live in a safe and secure environment with sufficient access to economic opportunities, a combination of safe and secure housing and tenure types, reliable basic services and educational, environmental, cultural, health, welfare and police services (Department of Local Government and Housing, 2005: 10).

2.5 Housing Allocation and Delivery

This section deals with the housing delivery process in South Africa. Housing delivery is reliant on the allocation process. In order to understand this process, the policy of housing allocation will be highlighted. Furthermore, South Africa's delivery performance since 1994 will be analysed and finally, the factors influencing housing allocation and delivery will be discussed.

2.5.1 Housing Allocation: Policy and Process

Every municipality, in accordance with Section 9(1) of the National Housing Act of 1997, must, as part of the municipality's process of integrated development planning, take all practical and necessary steps to ensure that the inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis. This is accomplished by setting housing delivery goals, identifying suitable land for housing development and planning, facilitating, instigating and managing housing development in its area of jurisdiction (Newcastle Municipality, 2005: 1). Municipalities are accountable for identifying land suitable for housing development and to make applications for housing subsidies. Central to this process is the development of a multi-year Municipal Housing Plan, as part of an approved Integrated Development Plan (IDP).

A housing sector plan is an imperative instrument to the Department of Housing in the allotment of funding to municipalities. National and Provincial Housing Department Plans need to be informed by Municipal Plans – it is a vital component in steering the development activities of other government and private sector organisations (Newcastle Municipality, 2005: 1). Municipalities are also required to develop a housing waiting list for the various categories and housing allocation shall be based on such a list. Any housing plan should be accompanied by housing related policies to guide the operations of the housing allocation and allocation system and should enlighten social issues such as how best to deal with land invasions and informal settlements (Newcastle Municipality, 2005: 2).

Once a housing subsidy application has been captured on the Housing Subsidy Scheme, the application is submitted through three electronic searches that are performed overnight. Firstly, the application is compared to the population to ensure the validity of the applicant's and spouse's identity numbers, and that the applicant and/or spouse is not deceased. Secondly, the application is compared to the National Housing Subsidy Database (NHSDB) to ensure that neither the applicant nor his/her spouse has previously been assisted by the government. Lastly, the application is compared to the

Registrar of Deeds to ensure that neither the applicant nor his/her spouse has previously owned a property (Auditor-General, 2006: 7).

The results of these searches aid subsidy administrators in the authorization of housing subsidies. The HSS does not impose the rejection or resubmission of applications in those cases where the searches had failed, but permits certain users to overrule the search result by changing the application status to continue with the administration process (Auditor-General, 2006: 7).

The Department of Housing states that the number of approved subsidies "is represented by the number of subsidies within the housing projects approved by the provincial housing departments. When the project is approved, subsidies are not allocated to specific beneficiaries as the projects will only commence once funding is made available for that specific project" (Auditor-General, 2006: 8). The number of approved beneficiaries reflects specific beneficiaries for whom a subsidy has been approved. Beneficiaries are only identified once financial support is made available for an approved housing project and the project has been initiated (Auditor-General, 2006: 8).

The Housing Allocations Policy (HAP) was approved in 2004 and was assumed by the City of Cape Town (Steyn, 2007). It states that six fundamental principles underpin the spirit in which it was proposed. The question of equity is raised as the first principle. All those who have applied must be permitted to an equal opportunity for housing assistance, and "never be under the belief that special deals have been struck or that undue influence was exercised" (Housing Allocation Policy, 2005: 1). Secondly, in order to endorse transparency, "any person must be able to scrutinize the procedures used to allocate housing assistance for evidence of irregular, unfair or corrupt practices (Housing Allocations Policy, 2005: 1).

The policy must, thirdly, be efficient in terms of practicality and cost. "Practical judgement should be employed in implementing this policy in a way that preserves its intent but may save money or achieve greater progress" (Auditor-General, 2006: 1). Social unity is listed as the fourth principle and efforts must be made to ensure that social conflict is reduced

and that development progress is optimised. The HAP must be applied in such a manner so as to improve access to housing opportunities, the policy should not be used to hinder projects, and should not result in further administrative stumbling blocks.   The sixth principle states that the HAP must be employed in a way that encourages integration of the city (Auditor-General, 2005: 1).

The range of housing waiting lists is extensive.   Each contains various personal information details and applies to different areas. According to Steyn (2007), the 'old method' used by municipalities prior to 2000, when all municipalities amalgamated into the Cape Town Unicity, caused confusion – the lists were often duplicated and incomplete. The Interim Housing Database is used to guide the allocation of housing and these lists are integrated to produce a single electronic Housing Database (Housing Allocations Policy, 2005: 1).

All families, groups and individuals, who receive housing assistance in the Cape Metropolitan Area (CMA)[5], originate from one of the following sources: a target community, the municipal submission or the interim housing database.   A 'target community' is defined as "the group of beneficiaries that give rise to the new housing project in the first place. In projects where more families than just the target community can be accommodated, that additional number is referred to as the 'municipal submission'. By implication thus, the target community is project specific" (Housing Allocations Policy, 2005: 2).

The 'municipal submission' list consists of the names the municipality may submit to the project manager. These names may only be comprised of families who have to be absorbed as a result of de-densification elsewhere, or families a court may have directed Council to accommodate (Housing Allocations Policy, 2005: 2). The 'interim housing database' refers to all waiting lists jointly, whether area-based, estate-based, municipal or project-based (Housing Allocations Policy, 2005: 2).

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[5] There are six municipalities in the Cape Metropolitan Area: City of Cape Town, City of Tygerberg, Blaauwberg Municipality, Helderberg Municipality, Oostenberg Municipality and South Peninsula Municipality (City of Cape Town, 2007).

Beneficiaries who have been assisted are not removed from the database. Instead, they are placed on a different schedule for record purposes. People may apply on a continuous basis to be recorded on the interim database and when successful, a 'confirmation of application' certificate will be issued (Housing Allocations Policy, 2005: 2). In order to qualify, the applicant must provide testimony of having resided in the CMA for at least two years. Applications are open to all persons who live in the CMA and who meet the criteria for a national housing subsidy (Housing Allocations Policy, 2005: 2).

Given the growing gap between available subsidies and the housing need, competition for access to housing will increase. This can be felt more intensely around the drafting and finalisation of the beneficiary lists. A lack of official procedure and policy has resulted in substantial contestation, project delays and in some cases, violence. As an alleviation measure, the City of Cape Town has introduced the Housing Allocations and Audit Committee (HAAC), and in order to ease tensions, each project manager is guided by a specific procedure (Housing Allocations Policy, 2005: 4).

This procedure consists of determining the number of erven available for each project, which is drawn from the initial site planning. In order for the project to receive funding-approval, the project manager must outline and submit an 'initial list' of prospective beneficiaries to the Provincial Board. This list contains the exact number of names as can be accommodated in the project, bearing in mind that all the names on this initial list are required to originate from either one of the three sources discussed previously: the target community, the municipal submission or the interim housing database, (Housing Allocations Policy, 2005: 4).

Each project will have what is known as a "source-split", subject to authorization and approval by the Executive Councillor for Housing. A source-split refers to how much of the total each source comprises (Housing Allocations Policy, 2005: 4). Such a split is mainly the result of the excess or shortfall a project may have once the target community has been accommodated (Housing Allocations Policy, 2005: 4). Having approved the project, the Board then requests the project manager to make certain all people on the

original list complete the application forms in detail. During thorough assessment, a small proportion of candidates are normally found not to meet the criteria, while other applicants cannot be traced. Additional opportunities that occur under such conditions must be filled by drawing on one of the three sources (Housing Allocations Policy, 2005: 4).

An administrative office is then set up at each project site and assigned with inserting the qualifying beneficiaries of the target community onto the Council's database and assisting potential beneficiaries in completing national subsidy applications. No new names are placed onto the list in this office (Housing Allocations Policy, 2005: 4).

After the list is completed, it is referred to the HAAC. Once satisfied that the objections have been resolved and that all the names on the list qualify, the Board verifies the list as final. This is then referred to as the 'final list'. Between the time the final list is in place and the actual occupation of a house has to occur, more applicants may have lost interest or cannot be traced. These few additional opportunities are again filled from the three sources (Housing Allocations Policy, 2005: 5).

With the number of subsidies being received, it is doubtful that the City will defeat the incidence of informal settlements through the current housing delivery process. In most cases, there appears to be little choice but to include all existing residents in the process. All those families qualifying for a subsidy will be targeted. It is also highly unlikely that in each situation, a level of de-densification and therefore relocation has to take place during upgrading (Housing Allocations Policy, 2005: 6).

Council endeavours to assist all qualifying residents/families of an informal area set aside for *in situ*[6] upgrading where this is endorsed in terms of the national housing subsidy scheme. The families who prefer to move (as a result of de-densification) will be accommodated as part of a municipal submission. The families assisted in this type of

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[6] Refers to 'on site' upgrading, or informal settlement upgrading

project are considered to be the 'target community'. Any remaining of plots shall be issued to families from the 'municipal submission' (Housing Allocations Policy, 2005: 6).

Not all settlements can receive attention in the same year. Assistance should be given to those settlements most likely to succeed as upgrade projects. However, this should be viewed as a question of prioritisation and not of allocation (Housing Allocations Policy, 2005: 6).

2.5.2 Housing Delivery Performance

Given the discussions on the challenges concerned with housing allocation, it is now fitting to examine South Africa's housing delivery performance. South Africa's political transformation to a democracy is globally acknowledged as a miracle. However, citizens of a newly democratised and developing country, have much higher hopes than just their ability to play a part in elections (Burger, 2001: 64). The transformation of the structures delivering the expected services is a multifaceted and demanding process because the rising structures need to support the democratic era. According to Burger (2001: 64), this is further compounded by the fact that democratic governance in itself introduces increased difficulty and uncertainty. This entails entirely new governmental systems and structures, as opposed to those used by the previous regime.

Hassen (2003: 118) states that the performance of housing can be split into three main groups, firstly the number of units delivered, secondly the impact on backlogs, and lastly the impact of housing on poverty. It is imperative to highlight that the intrinsic worth of housing programmes cannot only be measured in terms of the amount of units delivered. "It is precisely this fixation on the number of units delivered at the expense of outcomes that has frustrated government's delivery programme with regard to poverty eradication and creating integrated living environments" (Hassen, 2003: 118).

The RDP clearly committed the government to providing one million low income houses in its first term of office. This vow was in part grounded on the critical shortage of low-

income houses in South Africa. In fulfilling the target of a million houses in five years, the government also hoped to reach the poorest areas of the country, and act in response to urbanisation pressures (Hassen, 2003: 119).

Statistics provided in 2001[7] by the Housing Department show that noteworthy progress has been made. An estimated 1 167 435 units were delivered between 1994 and 2001, exceeding the target of one million set by the government, for its first term in office, as shown in Table 2.1.

Table 2.2: Top structures completed or under construction (April 1994 – March 2001)

Province	Houses Completed / Under construction	Delivery as % of total backlog (per province)	Delivery as % of 1 million target (national)
Eastern Cape	98 774	13,8	65,0
Free State	91 699	35,1	132,9
Gauteng	348 288	51,9	143,3
Kwazulu – Natal	206 670	24,3	106,0
Mpumalanga	68 860	35,9	129,9
Northern Cape	30 437	183,3	169,1
Limpopo	83 147	15,6	96,7
North West	91 184	26,9	130,3
Western Cape	148 376	91,4	130,2
TOTAL	**1 167 435**	**31,2**	**116,7**

(Adapted from Department of Housing, 2001, as cited in Hassen, 2003: 120).

The year-on-year figures for housing also illustrate the significant advancements that have been made in the capacity to deliver houses – if not the quality (Table 2.2). The average for houses delivered from 1994 – 2000 was 141 936 per annum (Hassen, 2003: 120). The numbers however, are constant – they do not take account of new entrants into the housing market.

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[7]   As cited in (Hassen, 2003: 120).

Table 2.3: Projected impacts on backlog under current budget assumption

	1994 / 1997	**1997 / 1998**	**1998 / 1999**	**1999 / 2000**
Backlog	3 742 869	4 150 998	4 028 360	400 179
Units delivered	191 898	322 638	228 181	250 835
+ New entrants (at 20 000 per annum)	4 150 998	4 028 360	4 000 179	3 949 344

(Adapted from Hassen, 2003: 121)

The issue of new entrants in the housing market causes debate over whether the backlog has actually been reduced. Whilst recognising that the delivery of houses has improved considerably, the insufficiency to meet new demand reveals that the housing shortage remains the same.   Matters like the quality and sustainability of housing further complicate the situation. "The policy problem facing housing delivery thus relates to both the scale and quality of housing delivered" (Hassen, 2003: 121).

In light of the above, it is crucial to identify the factors influencing and affecting housing delivery in South Africa.

2.5.3 Factors influencing Housing Allocation and Delivery

Despite the achievements of the first ten years in providing shelter to the poor, according to the Department of Housing (2004: 4), there are a number of constraints hampering the provision of housing that has added to the decline in the number of units constructed per annum since 2000. The Department of Housing (2004: 4) has acknowledged six such obstacles, which will be discussed in the section below. Thereafter, an additional five important barriers influencing the speed of housing delivery in South Africa will be addressed.

2.5.3.1   Obstacles Identified by the Department of Housing

Firstly, integrated housing environments had not been suitably created, as discussed in section 2.4.2.2. This was due the poor configuration of housing plans and funding streams at all levels of government, as well as the generally poor quality and peripheral position of low-income housing projects. Secondly, beneficiaries did not view the house provided as an asset because they saw the houses being sold at a cost lower than the replacement value, which demonstrates a challenge to the objectives of the housing programme where the housing units were seen as an asset (Department of Housing, 2004: 4). According to the Department of Housing (2004: 4), the third constraint is that there is inadequate contribution from the financial sector in the financing of low-income housing. This was principally due to the poor repayment record of low-income housing beneficiaries.

Furthermore, there is significant under-spending on budget for low-income housing by responsible housing departments, due to the lack of capacity particularly in municipalities, the sluggish transfer of state land to municipalities, a lack of collaboration from traditional leaders and the recent implementation of new housing policy measures (Department of Housing, 2004: 4). Fifthly, the constant presence, and expansion of informal settlements (through increased migration, discussed in the sections that follow), which have little or no access to services or infrastructure, poses difficulties. A final obstacle was the need to provide housing in the framework of decreasing household size. It has been recognised that this factor is partly responsible for the increasing backlog of low-income housing, and the associated increase in slum development in South Africa (Department of Housing, 2004: 4).

2.5.3.2   South Africa's Historical Situation with regard to Housing

Other factors contributing to the delivery or non-delivery of houses, stems mainly from a legacy of the apartheid system, where housing was supplied and used as an mechanism of social segregation (as discussed in section 2.3.1). The disproportionate distribution of wealth together with the class separation, both very evident in the Western Cape, make for great resistance to low-income housing projects by neighbouring communities, as new housing projects are perceived as (and often are) dysfunctional ghettos (Department of Local Government and Housing, 2005: 17).

The restructuring of apartheid spatial and socio-economic patterns of exclusion appear to be the aim and attainable objectives of the BNG housing plan. Despite the full scale housing delivery and development since 1994, it is apparent that this legacy cannot be removed without the political resolve to confront and defeat resistance to integration of the city as it is apparent in the "not-in-my-backyard" (NIMBY) syndrome. "NIMBYism" mainly manifests itself in the form of resistance to low-income housing in close proximity to higher-income (and often well located) neighbourhoods (Department of Local Government and Housing, 2005: 17).

2.5.3.3   Urbanisation and Migration

South Africa has become progressively more linked to the rest of the world, since the emergence of a democratic and inclusive government in 1994, which has seen the country affected by the opportunities and challenges of an increasingly accessible world. In terms of human settlement, the greatest international trend that is and will continue to affect South Africa, is that of urbanisation. Urbanisation is defined as "the increase in the urban population of a country or area due to the following components of urban growth: (a) urban natural growth, (b) urban net migration, and (c) the reclassification of parts of the rural population into the category 'urban', due to the sprawl of existing urban areas into their rural surroundings or the development of new towns in formal rural areas" (Lehohla, 2006: 17).

According to a report presented by the Department of Housing (2004: 27) at the Commission for Sustainable Development, urbanisation in South Africa is characterised by not only internal movements of migrants, but increasingly by immigrants from Africa and other parts of the world. Increased pressure is placed on the resources available in South African cities and therefore on the country's ability to offer shelter and service needs.

As a result, South African cities, as part of the continent and the globe, experience comparable urbanisation challenges faced by those throughout the world. According to South Africa's Housing minister, Lindiwe Sisulu (2006a: 1), South Africa's urbanisation rate is increasing at 2.09% per annum. South Africa's major cities contribute about 36% to the overall national population and it is estimated that 70% of the people will be residing in urban areas by 2030. This is despite the fact that South Africa is actually ahead of this world trend and according to Boraine (2004: 4), in 2000 the country was already 58% urbanised.

Table 2.4 below indicates that increased access to economic opportunities coupled with perceived better standard of life in urban areas will persist in drawing migrants to urban areas. Migration is defined by Lehohla (2006: 7) as "the crossing of the boundary of a predefined spatial unit by persons involved in a change of residence".

Table 2.4: Urbanisation Levels for the Nine Provinces in South Africa (2001)

Province	Urbanisation Level (%)
Gauteng	96
Western Cape	90
Northern Cape	80
Free State	75
KwaZulu – Natal	45
North West	41
Mpumalanga	39
Eastern Cape	38
Limpopo	10
South Africa	*56*

(Adapted from: The State of the Cities Report, 2006: 17)

It is clear from Table 2.4, that the provinces of Mpumalanga, Eastern Cape and Limpopo exhibit very low levels of urbanisation. The extremely high levels of urbanisation evident in the provinces of Gauteng, the Western Cape, the Northern Cape and the Free State, can be attributed to in-migration of people from other provinces, seeking employment, improved services and infrastructure, amongst others.

2.5.3.4   Financial Constraints to Housing

Insufficient state resources are being made available for housing and urban development proposals to advance the living conditions of the urban poor. National spending on housing has declined to only 1.2% of total government expenditure. According to the Western Cape Housing Consortium (2003) 40 000 housing units need to be delivered per year in order to eliminate the housing backlog of 310 000 within 15 years.

At present housing subsidy values, a total housing budget of over R1.2 billion per annum is required. The Western Cape's housing budget for 2005/2006 was R475 million. Due to financial and capacity constraints the actual number of subsidised houses delivered in the province per year has declined to about 12 000 (from a peak of 44 000 in 1997/1998). (Department of Local Government and Housing, 2005: 19).

These budget constraints impact on the degree of delivery and on the scale of the quality of delivery. As a result, there are increasing numbers of people living in inadequate housing conditions without access to basic services or facilities. According to the Department of Local Government and Housing (2005: 19), another upshot is that the subsidy amount remains insufficient for the provision of an adequate housing unit on an adequately serviced and well-located piece of land.

2.5.3.5   Lack of Available and Suitable Land and Buildings

Both formalised and informal low cost housing developments are often poorly located on the margins of cities.   The availability of appropriate land is a main concern, as the majority of South African citizens live in inadequate housing that is badly located and often without land tenure.

Land on the periphery is cheaper and therefore more 'affordable' for low income development. The subsidy does not adequately provide for land costs in the Western Cape: typically only up to about R1000 of the subsidy amount can be used for the cost of raw land, whereas the actual cost of raw land for subsidy housing in Cape Town, even in peripheral locations and for small plots less than 100m², has been up to R3000 per beneficiary (Department of Local Government and Housing, 2005: 17).   These developments are usually mono-functional settlements, removed from employment, economic, social and transport opportunities. This has a range of implications with regard to time spent away from home, time travelling to and from opportunities, and the related cost implications thereof (Department of Local Government and Housing, 2005: 17).

The Department of Local Government and Housing (2005: 17), lists three of the many major cost implications. Firstly, unbearable burdens on low-income households in the form of high travelling costs and unnecessarily long travelling times. Second, the extreme costs on authorities for providing bulk services to remote areas, and lastly, high environmental costs relating to wasteful land utilisation patterns and an excessive transportation sector (Department of Local Government and Housing, 2005: 17). For the poor, location is often more important than housing quality, as it directly impacts on the accessibility of urban opportunities and underpins social networks critical for survival (Department of Local Government and Housing, 2005: 17).

Residential areas also continue to be isolated on the basis of social class or status, which encourages low-income housing on the periphery of the city. Furthermore, "NIMBYism" is rife in the Western Cape and this stands in the way of realizing functionally and physically integrated human settlements where the poor and vulnerable are located on land which

improves access to opportunities (Department of Local Government and Housing, 2005: 17).

Municipalities do not have consistent strategies for acquiring land for housing, partially because they have only been responsible for housing land acquisition since 2000, and partially because of a disjuncture between spatial plans and housing strategies (Department of Local Government and Housing, 2005: 17). "Public land is particularly difficult to acquire, partially because only 12.6% [in 2003] of national and provincial state land has been *vested*, i.e. determined to which particular government department it belongs, partially because disposal of state land is driven by market forces, and partially because a considerable amount of public land is now owned by parastatals such as Transnet" (Department of Local Government and Housing, 2005: 17).

2.6 Conclusion

Housing policy is vitally important in steering the housing process in order to form well integrated neighbourhoods, consisting of quality housing units with good access to resources and facilities. As illustrated in section 2.4.2.1 of this chapter, South Africa's housing policy has implemented seven key strategies to improve housing delivery. The three essential components that directly impact the analysis of this study, i.e. stabilising the housing environment, providing subsidy assistance and supporting the People's Housing Process, were emphasised. These three strategies link directly to conclusions drawn in Chapter Five regarding their implementation and facilitation in the FHDP.

It is clear that the housing policy is fraught with challenges and constraints, in attempts to align policy with practice. Issues such as urbanisation and migration increase the difficulties faced by government in addressing the housing backlogs. The HSS was highlighted as a contributing factor, with imbalances in the property market and lack of economic empowerment, compounding the problem. As a result, many households are not able to purchase a house independently and require assistance in the form of subsidies and/or support from the People's Housing Process. Additionally, emphasis was

placed on the role that apartheid policies played in creating unequal access to housing finance as well as the impact these policies have on the location of new housing projects, usually on the periphery of urban settlements. Attention was drawn to the urgent need of viable, social and economically integrated communities with access to resources and facilities.

These challenges and constraints faced by the National Housing Policy, undoubtedly affect and influence housing allocation and ultimately, housing delivery in South Africa. Furthermore, the process of allocation and delivery itself is also a highly contentious and controversial issue, inherently plagued by similar difficulties. The concerns highlighted by the Department of Housing include the following: integrated housing environments have not been created to satisfactory level, beneficiaries do not always consider their houses to be assets, limited participation from the financial sector in financing low-income households, under-spending on budget by housing departments, growth of informal settlements and finally, housing needs to be provided in the context of a decreasing household size. Furthermore, South Africa's historical situation, urbanisation and migration, financial constraints and a lack of suitable, available land and buildings, were discussed as additional challenges influencing housing delivery. The delays and conflict experienced in the FHDP can be attributed to some of these factors, as will be illustrated in Chapter Four.

Housing allocation and delivery is an intricate process that is heavily dependent on capacity and resources, especially on a local government level. Desperation by many to attain a house and the services and infrastructure that go along with it, complicate housing lists and delivery processes as families move to new housing opportunities. It is against this background that policy will be analysed using the Sustainable Livelihoods method in Chapter Three.

Chapter Three: Methodology

3.1   Introduction

This chapter will describe the research aim and the objectives of the study. Secondly, the research methodology used will be highlighted in the context of the Sustainable Livelihoods policy analysis. The data collection and analysis will be discussed towards the end of the chapter, and finally, issues regarding reliability and validity will be explained and, methodological constraints will be brought to light.

3.2   Research Aim and Objectives

As stated in Chapter One, the aim of this study is to explain the process of housing delivery in South Africa by using the FHDP as a case study.

The research objectives consist of two main aspects, namely to identify the main issues associated with the housing allocation and delivery process and secondly, to explain and discuss how these processes were managed in the case of the FHDP.

3.3   The Research Process

The research process commenced with initially identifying the research problem, discussed above. This research problem was then conceptualised, by analysing the key concepts, the problem was then related to a wider conceptual context. In order to achieve this, a literature search was conducted (discussed in section 3.3.2). This was an essential step in familiarising the researcher with the available body of literature, in order to guide the study effectively. The study is descriptive in nature, as it is intended to create an understanding of the processes involved in housing delivery in South Africa. The data was analysed by using the qualitative processes of "thematical and content analysis" (Mouton, 1996: 67).

According to Mouton (1996: 169), qualitative research is usually comprised of a wealth of rich descriptive data, collected through a variety of methods such as participant observation, in-depth interviewing and document analysis. The use of this method of data analysis results in a more holistic, synthetic and interpretative approach (Mouton, 1996: 169). Finally, the data was processed and synthesised by interpreting and discussing the results in Chapter Five.

3.3.1 Policy Analysis

'Policy' is often understood to refer to public statements of intent: manifestos, declarations and papers, amongst others (Shankland, 2000: 17). Policy is typically complex and dynamic and the term embraces a range of different aspects. 'Policy statements' (e.g. White Papers), according to Pasteur (2001: 1) are what one may think of as policy, but interesting questions to ask are what led to their formulation and are they always put into practice?

Not only are these two questions significant, the processes that enlighten and formulate policy are also highly important. Systems for policy implementation (i.e. law, regulations or programmes) are vital to guarantee that policy can be put into practice (Pasteur, 2001: 1). Furthermore, policy and policy making are modified and fashioned by the political, social and economic environment, as well as historical factors (Pasteur, 2001: 1). As alluded to, policy does not happen in isolation. It is not formulated and implemented exclusively by policy makers in government offices (Pasteur, 2001: 1). A variety of institutions, such as markets or the legal system and organisations, such as NGOs or bureaucracies, manage the often disordered relationship between policy and people's livelihoods, "this is the interface where policy and people meet" (Pasteur, 2001: 1).

It is against this background that the Sustainable Livelihoods policy analysis method was selected and used in this study. Pasteur (2001: 1) explains that an analysis of policy for sustainable livelihoods (SL) is premised on an understanding of the livelihood priorities of the poor, the policy sectors that are pertinent to them, and whether or not apt policies exist

in those sectors. "The policy priorities of poor people will be realized more effectively if they have the capacity to articulate their demands and influence the policy process" (Pasteur, 2001: 1).

The sustainable livelihoods approach identifies the impact of policies and institutions in controlling poor people's access to livelihoods assets, and in turn, influencing their vulnerability to shocks and stresses (Pasteur, 2001: 3). This approach therefore, endorses a more 'upstream' approach to alleviating poverty. In addition to micro-level work that openly aims to improve poor people's livelihoods, it takes cognisance of the fact that for change to be sustainable, macro-level issues, including policy, also need to be tackled (Pasteur, 2001: 3).

The SL approach also advocates certain principles of best practice. These are "that interventions in support of the poor should aim to be: people centred and participatory, holistic, dynamic, build on strengths, link micro to macro and be sustainable" (Pasteur, 2001: 3). Policy analysis should strive to evaluate the degree to which these principles are being engaged in policy work, in order to recognize areas of improvement.

A key strength of the SL approach, according to Shankland (2000: 6), is considered to be its potential for 'linking the micro to the macro', that is, for generating connections between the local realities, and the level at which policies intend to change these realities, are formulated. Shankland (2000: 10) warns however, that there are limitations on the value of present approaches to livelihoods studies for directing assessment of policy impacts. One restriction is the difficulty associated with generalising from extremely contextualised findings, such as those characteristically found in SL studies (Shankland, 2000: 10).

Another covert, more severe limitation is the fact the SL framework itself seems to experience a certain amount of doubt over precisely how policy affects livelihoods (Shankland, 2000: 10). The source of "this confusion is that the framework implies that the different contextual and institutional factors, including policy, will have a direct influence on livelihood resources, strategies and outcomes" (Shankland, 2000: 10).

In reality, the indispensable element in any endeavour to scrutinise policy impacts must be an understanding that policy functions in an indirect way, that is, its influence on livelihoods is always mediated by institutions[1] and organisations[2] (Shankland, 2000: 6). Making the connection between policy and livelihoods involves the compromise that mediating structures are not homogenous. According to Shankland (2000: 6), it is indeed the scope and nature of the presence of such structures in different local settings which will ultimately determine how they 'channel' different elements of policy to people in those settings.

In the cases where policy functions through institutions, the extent to which people operate within those institutions condition the policy's impact on livelihoods. Where it is directed through organisations, the impact of policy will depend on the degree and nature of people's interactions with those organisations[3]. Shankland (2000: 12) concludes by stating that "the shape in which a given policy reaches people, and indeed, whether it reaches them at all, will be significantly influenced by the internal politics and priorities of the organization through which it is channelled".

Decision making can be directed by policy within public sector agencies, and send out signals to society as a whole. However, it is in the structure of definite measures that policy frequently takes action in institutions and organisations and, through them, on livelihoods resources and strategies (Shankland, 2000: 19). The likely impact, negative or positive, of a certain policy measure on livelihoods will be influenced by many factors. According to Shankland (2000: 19), the mediating structures through which a policy is channelled will play an essential function in determining the form in which it reaches the people.

Figure 3.1 below illustrates the range of elements to be taken into consideration in a policy analysis. Furthermore, policy analysis for sustainable livelihoods should regard "the extent

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[1] Key institutions include markets and formal legal codes, as well as the media (Shankland, 2000: 12).
[2] Key organisations include government service delivery and law enforcement agencies, as well as private sector or civil society groups which deliver services under contract to government (Shankland, 2000: 12).
[3] For example, the size of their presence on the ground and the degree of fear or trust which they inspire (Shankland, 2000: 12).

to which policy and policy making support the principles for best practice development intervention advocated by the sustainable livelihoods approach" (Pasteur, 2001: 2).

Figure 3.1. The Components of Policy Analysis for Sustainable Livelihoods

Social Capital

People's capacity to articulate, demand or influence the policy process

Livelihood Strategies

The policies that constrain or enable poor people to adopt the strategies they do

Livelihood Options

The policies that govern access to assets and wider livelihood options

Livelihood Context

Policies that worsen or improve the vulnerability context in which people live

People-centered analysis for SL

How people influence the policy process

Institutions & Organisations

The interface between policy and people

How policy influences people's livelihoods

Policy Process & Actors

How policy is made & who influence the process

Policy Context

Political, social & economic environment in which policy is made

Policy Statement

Written or formal statement of policy intent sanctioned by government

Policy Measures

Programmes, regulations, laws etc. for implementation of policy

Policy-centered analysis for SL

(Adapted from Pasteur, 2001: 2)

For the purpose of this study, attention was focused on how housing policy influences people's livelihoods, by studying the policy context and policy processes in particular. Shankland (2000: 13) states that the SL framework highlights the importance of choices and strategies, and thus emphasises the fact that people are not simply passive victims or beneficiaries of policy. Livelihood adaptation is a mindful process (Shankland, 2000: 13). Combining these insights permits researchers to produce a model of how policy affects livelihoods, which is consistent with the SL framework. It is summarised as follows, "policy operates through specific institutions and organisations to influence people's choice of

livelihood strategies, by changing their perception of the opportunities and constraints which they face in pursuing different strategies, and the returns which they can expect from them" (Shankland, 2000: 14).

3.3.2 Data Collection and Analysis

Official statements of policy objectives, authorised by government, are a central focus for policy analysis.   These include official documents, such as White Papers, as well as memos or statements by key decision makers (Pasteur, 2001: 3).   In accordance with the importance placed upon these documents, a search was conducted for White Papers and other official documents regarding housing and housing policy in South Africa.   The search was conducted via the internet, primarily on the South African Housing Department's website, as well as on those of other pivotal housing organisations.

Pasteur (2001: 4) states that "statements of policy can only be put into practice if they are translated into measures, such as laws, regulations, programmes and projects that facilitate implementation".   The Breaking New Ground (BNG) policy, as a measure of housing policy (discussed in section 2.4.5), and information collected on the FHDP (discussed in Chapter Four) was therefore carefully interrogated.

The BNG housing policy was examined in terms of policy process.   A study of policy process analyses the versatile and complicated procedures by which policy is understood, formulated and implemented, as well as the range of actors involved (Pasteur, 2001: 4).   In order to achieve this level of analysis, the housing policies prior to BNG were read and the context in which BNG was developed, was understood by the researcher.

Pasteur (2001: 4) warns that in addition to the studying the policy processes when analysing policy, a range of contextual factors also have to be considered.   These relate to the social, political and economic environment, and may comprise factors such as institutional capacity, history of resource use and policy, economic circumstances (local, national or international), or pressure from civil society (Pasteur 2001: 4).   As a result, the

changes in housing policy context spanning from pre-1994 to South Africa's current situation, was investigated, in order to add insight into the final policy analysis.

Analysis of policy documents only helps in understanding policy content 'on paper' – this is not sufficient without an analysis of context, processes, measures and impacts (Pasteur, 2001: 4). In this regard, various interviews and meetings were arranged with key figures and role-players involved with the housing process in Fisantekraal. These individuals were identified through numerous preliminary internet and literature searches. Semi-structured interviews were used as this method is effective for consulting and discussing with key informants, to reveal insights regarding the context, the policy content and the impacts (Pasteur, 2001: 8).

The researcher met with Mr Michael Goodwin from the Bellville Town Planning Department on numerous occasions during 2006, to discuss issues associated with the housing phases in Fisantekraal. He allowed the researcher access to the archives of the department in order to photocopy relevant literature and material on the project. Additionally, a short meeting was held with Mr Leon Rost from the Durbanville Municipality in February 2007. Mr Rost was able to share archived documents on the project with the researcher and the Fisantekraal statistics from Census 2001 were also offered to the researcher. An interview was arranged with Mr Rob Smith (Department of Housing) in May 2007. This interview was fruitful and information was obtained regarding the latest housing backlog figures for 2007/2008. Mr Smith sketched the housing backlog issue from an administrative point of view, which proved to add insight into the relevant literature. The researcher also met with Mr Herman Steyn (Manager: New Housing, Housing Directorate) in August 2007, who was personally involved with the housing allocation process in Fisantekraal. He provided a contribution to the final analysis of the case study in Chapter Four.

Not only did these interviews provide contextual insight and critical information, they also added to the reliability and validity of the study.

3.3.3 Reliability and Validity

According to Pasteur (2001: 4), policy statements can offer a valuable source of information, but should not be too heavily depended upon as proof of practice. At the same time however, a lack of documented policy should not automatically be viewed as representing a fissure in policy (Pasteur, 2001: 4).

The researcher takes cognisance of the fact that many policy actors may have other political and personal agendas that may influence their responses in interviews (Pasteur, 2001: 8). As a result, careful consideration was taken when including statements from interviews into this study. The information on the FHDP was obtained from key people who were intimately involved with the project itself. Documentation on the National Housing Policy and Housing Allocations Policy were gathered from the National Department of Housing's website, thereby adding to the reliability of the study.

Although every effort was made to ensure comprehensive coverage of the most important issues, a possible obstacle to the reliability and validity of this study could be omissions with regards to literature and statistics, the sources of which, I am not aware of.

3.3.4 Obstacles and Constraints of the Study

Gathering information on Fisantekraal, despite the assistance of the key informants mentioned above, was a painstaking process. Obtaining the correct contact information for the relevant people involved numerous phone calls to verify email addresses after a few emails were 'bounced' back to the researcher. As a result, it was not always possible to reach key interview candidates, as some have relocated and are no longer affiliated with their previous institutions. Furthermore, given the busy schedules of many of these officials, meetings of this nature were dependant on a 'quiet day'.

The documentation obtained is mostly from a municipal/local government perspective. This was vitally important in order to provide a detailed account of the current situation.

However, the researcher acknowledges that this information may be biased – but all efforts were made to provide as balanced a perspective possible.

3.4   Conclusion

Given the context in which this study is founded, the researcher is confident that the data gathered throughout the course of this research, is reliable and valid, despite the limitations experienced.

This chapter discussed the research methodology employed in this study, as well as the policy analysis used in the sustainable livelihoods approach. The issues surrounding the reliability and validity of this study were discussed, after which the constraints experienced during this study were highlighted. Chapter four will discuss the analysis of the data.

Chapter Four: The Fisantekraal Housing Project Experience

4.1. Introduction

Fisantekraal is situated near Durbanville, in the northern suburbs, an approximate 35 minute drive from Cape Town. It is located just off the Wellington/Klipheuwel road (MR312) and is within close proximity to neighbouring towns, Kraaifontein, Bellville and Stellenbosch. Figure 4.1 shows an aerial view of the FHDP and Figure 4.2 shows Fisantekraal's location in relation to neighbouring towns and infrastructure networks (a more detailed map is provided in appendix 2).

Homeless people occupied the Cape Farm 178, Lichtenburg Outspan, situated at Fisantekraal, during the 1990s. In efforts to tackle the problem, various alternatives were studied by the project committee of the City of Tygerberg and it was decided to develop the property for the occupation of the homeless people on the premises, as well as other homeless people in the area.

The planning and development of the residential development on the Lichtenberg Outspan began in 1996 and the construction of the first houses commenced in 2000. The FHDP consisted of two phases: phase one commenced in 1999 and saw the completion of 802 houses. Phase two commenced in 2001 and 460 houses were completed.

It was believed the Fisantekraal site was the best suited for the development of an affordable housing settlement because of a variety of reasons. Firstly, there was sufficient area available with good road and rail access and it was deemed relatively close to local employment. It was also judged to be within good proximity to existing or potential community facilities and finally, it was believed to fall within the urban edge. The 'urban edge' is defined as a "mechanism to protect significant environments and resources and contain urban sprawl, in order to rationalise service delivery through managing growth and densification" (MLH Architects and Planners, 2004: 1).

Figure 4.1: An aerial view of Fisantekraal

Figure 4.2: The location of Fisatekraal in relation to Stellenbosch, Durbanville and Kraaifontein

(Adapted from Google Earth)

When the planning of the Fisantekraal settlement began in 1996, it was premised on the concept of creating a township with a maximum of 500 erven. It was recommended that the central portion of the property be developed as an affordable settlement with full services and the necessary community facilities. However, a process of public participation revealed that there were a number of diverse groups who were seeking housing, and as a result, the initial planned capacity of 500 erven would not be sufficient to address the need. A decision was made to plan the property to its full capacity of 1200 erven – this was a critical decision in terms of the existing settlement today and will be discussed in the sections that follow.

4.2. Setting the scene: Contextual Analysis of Fisantekraal

4.2.1 The Role of Fisantekraal

Fisantekraal's original function was that of a rural service node. Its opportune position on the metropolitan periphery saw the rise of a large number of agricultural and other related industries in the area. This primarily rural settlement, was developing into a dormitory urban settlement on the outskirts of the metropolitan city of Cape Town. According to the Fisantekraal Urban Edge Review and Expansion Assessment[1] (2002: 19), one of its features is that it was motivated originally as a limited 'agricultural node' to accommodate the needs of the surrounding rural hinterland (farm worker accommodation), homeless families occupying the Lichtenberg Outspan and agri-industry employees.

Since the establishment of the Fisantekraal housing settlement, this area has been noticeably altered – "what was motivated as an agri-village, was developed with the structure and form of a low-income dormitory urban area" (Fisantekraal Urban Edge Review and Expansion Assessment, September 2002: 43). Subsequently, as the only affordable housing project in the sub-region, Fisantekraal attracted a great number of people desperate for formal accommodation.

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[1] Issued by the City of Tygerberg

The re-zoning of eleven hectares of land for light industrial and business purposes indicated the market confidence in the economic potential of Fisantekraal. Adding to this positivity, is the significant importance of the Fisantekraal Airport, discussed in the next section. The Fisantekraal Urban Edge Review and Expansion Assessment (2002: 43) describes Fisantekraal as having "the assets and potential to ultimately support a range of economic activities in the primary, secondary and tertiary sectors".

The FHDP was to be perceived as "a local solution to a local problem" (Housing Portfolio[2], 2001: 2). The 'problem' was expressed as "a significant need for subsidy linked housing in the City of Tygerberg's northern area as compared to the total absence of supply since the last houses were built in Morningstar[3] in the 1980s" (Housing Portfolio, 2001: 2). Please consult appendix 3 for the original layout plan for Fisantekraal.

4.2.2 Infrastructure in Fisantekraal

As previously mentioned, Fisantekraal benefits from a high level of metropolitan and rural accessibility, which implies higher levels of access to services and especially infrastructure. It is directly linked to the Lichtenburg road (R 302) and is within close proximity of the Wellington/Klipheuwel road (MR 312) (Fisantekraal Urban Review and Expansion Assessment, 2002: 20). It is also close to the N1 and Kraaifontein via Boy Briers road, which serves as a linkage between Klipheuwel road and the N1 between Fisantekraal and Bloekombos[4].

The Bellville/Malmesbury railway line and Fisantekraal station are located immediately west of Fisantekraal, with the station situated adjacent to Boy Briers road. The non-electrification network is being utilised as a goods line. The South African Rail Commuter Corporation has identified a commuter rail starter service between Bellville and Fisantekraal, as its sixth development priority. A starter service will involve a diesel-based commuter service to Fisantekraal, later to be expanded to include further commuter stations within the Kraaifontein corridor (Fisantekraal Urban Review and Expansion

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[2] Issued by the City of Tygerberg
[3] Morningstar is a low cost suburb in Durbanville.
[4] Bloekombos is an informal settlement on the outskirts of Kraaifontein.

Assessment, 2002: 20).

Fisantekraal airport is positioned less than a kilometer north of the Fisantekraal settlement, and is licensed by the South African Civil Aviation Authority. The Fisantekraal Urban Edge Review and Expansion Assessment (2002: 21) states that the airport is of sub-regional importance because of its use for flight training and sky diving by Cape Town and Stellenbosch based flying schools and clubs, given its logistical and financial advantages, relative to Cape Town International Airport.

Secondly, it is conveniently located for airborne medical emergencies to Durbanville clinics and hospitals. It has a growing local role in commercial and recreational air services because there is no available expansion capacity for such activities at Cape Town International Airport and Stellenbosch airfield (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 21). Lastly, its metropolitan accessibility to both tourist destinations and business centers, increases its value dramatically. However, local land use uncertainties hamper the airport's future development prospects. Will the airport form part of the future urban node at Fisantekraal? Uncontrolled human and animal movement, given poor land use management and the lack of engineering services (e.g. water and rubbish removal) could be severely harmful to the future of the airport (Fisantekraal Urban Edge Review and Expansion Assessment, September 2002: 21).

4.2.3 Fisantekraal Statistics

Information on the demographic profile of Fisantekraal, obtained from the 2001 Census, reveals that 45.05% of the population was comprised of black Africans, whereas 54.18% were coloured. Table 4.1 summarises the total demographic profile below.

Table 4.1: Demographic Profile

ETHNIC GROUP	Male %	Female %	Total %
Black African	22.73	22.32	45.05
Coloured	26.07	28.11	54.18
Indian / Asian	0.32	0.39	0.71
White	0.06	0.00	0.06
Total	*49.18*	*50.82*	*100.0*

(Adapted from Census 2001)

Additionally, Table 4.2 indicates that roughly 60% of the residents in Fisantekraal were reported as 'employed'. Of this total, 49.03% were employed in elementary occupations, 16.89% were craft and related trades workers and 11.42% were employed as plant and machine operators and assemblers (Census 2001, Fisantekraal).

Table 4.2: Employment Profile

WORK STATUS: Economically Active (Aged 15 - 65)	Male %	Female %	Total %
Employed	38.02	21.51	59.53
Unemployed	19.24	21.28	40.52
Economically Active Total	*57.22*	*42.78*	*100.00*

(Adapted from Census 2001)

As is apparent in Table 4.3, the vast majority of Fisantekraal residents earned no more than R1600 per month, with only 13% of the population earning between R1600 and R6400 and hardly any residents reported earning more than R6400 per month.

Table 4.3: Income Profile

INCOME OF EARNERS (PER MONTH)	Male %	Female %	Total %
0 – R1 600	53.15	33.33	86.48
R1 601 – R6 400	10.72	2.56	13.29
R6 401 – R25 600	0.00	0.23	0.23
R25 601 – R102 400	0.00	0.00	0.00
R102 401 or more	0.00	0.00	0.00
Total	*63.87*	*36.13*	*100.00*

(Adapted from Census 2001)

Table 4.4 indicates that roughly 85% of the Fisantekraal population occupied a house or brick structure in a separate stand or yard. It is interesting to note that the next highest percentage refers to those who lived in backyard informal dwellings or shacks, at 6%.

Table 4.4: Housing Profile

TYPE OF DWELLING	Number	%
House or brick structure in a separate stand or yard	955	84.89
Traditional dwelling/hut/structure made of traditional materials	3	0.27
Flat in block of flats	0	0.00
Town/cluster/semi-detached house (simplex, duplex, triplex)	0	0.00
House/room/flat in back yard	6	0.53
Informal dwelling/shack in back yard	71	6.31
Informal dwelling/shack not in back yard	36	3.60
Room/flatlet not in back yard but on shared property	30	2.67
Caravan or tent	9	0.80
Private ship/boat	6	0.53
Not applicable (living quarters is not housing unit)	9	0.80
Total	*1 125*	*100.00*

(Adapted from Census 2001)

The housing ownership profile in Table 4.5 illustrates that the vast majority of the population in Fisantekraal had formally fully paid off and officially owned their dwelling, in 2001. Approximately 10% reported to occupy rent-free dwellings at that stage.

Table 4.5: Housing Ownership Profile

DWELLING OWNERSHIP	Number	%
Owned and fully paid off	971	86.31
Owned but not yet paid off	12	1.07
Rented	15	1.33
Occupied rent-free	118	10.49
Not applicable	9	0.80
Total	*1 125*	*100.00*

(Adapted from Census 2001)

4.3. Housing in Fisantekraal

4.3.1. Background

According to the Housing Portfolio (2001: 2), the procedure of selecting beneficiaries and allocating houses to them is almost always an intense and often conflict-ridden scenario. This conflict stems from the severe lack of housing delivery, since "the supply of houses at present meets only a fraction of the current demand" (Housing Portfolio, 2001: 2). The report continues to state that Fisantekraal was not exempt from this conflict because it was seen as a "housing solution for three separate and politically distinct groups" (Housing Portfolio, 2001: 2), who will be identified in the next section. The selection of beneficiaries was the point of divergence and conflict at the Monthly Project Committee Meetings and remained a bone of contention throughout the project, to the time of the house-handover. As a result of this conflict over the selection of beneficiaries and subsequent allocation of houses, Fisantekraal bore witness to protest actions and house invasions during 2000 (Housing Portfolio, 2001: 2).

When the Housing Portfolio of 2001 was released, 802 houses had successfully been completed in Phase One. Phase Two commenced in January 2001 and in March 2001, half of the units had been serviced. Huge debate spanning a period of six months regarding the allocation of houses to beneficiaries in Phase Two stalled the process, since no amicable agreement could be reached between the beneficiaries and the local housing authorities (Housing Portfolio, 2001: 2).

4.3.2 Selection of beneficiaries for the project

It was stipulated at the beginning of the planning stages, that only those residing in Durbanville would be able to apply for a house in the project (Housing Portfolio, 2001: 2). At the onset of the project, approximately 1800 people had applied to be on the waiting list for the Durbanville area. By the end of the project, however, this figure had nearly doubled to 2800 (Housing Portfolio, 2001: 2). It was agreed in the beginning, that the houses in the project be divided among the following three groups of beneficiaries (Housing Portfolio, 2001: 2): farm workers and domestic workers whose accommodation is conditional on their employment, secondly, people living in overcrowded conditions and backyard shacks in Morningstar and thirdly, those living in flimsy shacks in the informal settlement on the site, which came into being after invasion of the site, known as Zwelethu[5].

One of the aims of the project was to completely relocate the Zwelethu settlement. At the beginning of the project, it was agreed that beneficiaries from Zwelethu move with their shacks onto the sites in the project to await house construction. This agreement was made in an attempt to ensure that a beneficiary did not leave the shack to be occupied by someone else (Housing Portfolio, 2001: 6).

4.3.3 Creation of the Beneficiary Lists for the Project

An agreement was reached to divide the allocation of the houses between the three groups. It was also agreed that the number of houses allocated to beneficiaries from Zwelethu be limited to 227 – a number which corresponded to the number of shacks in

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[5] Meaning literally, "our land".

Zwelethu as determined by a City of Tygerberg Council audit (Housing Portfolio, 2001: 3). There was a concern that Zwelethu would increase in size during the project, so this limitation was set to prevent any such growth. According to the Housing Portfolio, (2001: 3), no decision had yet been reached as to how the remaining houses should be divided between beneficiaries from the other two groups.

Three separate beneficiary lists, one per group, were administered throughout the duration of the project and two separate approaches and processes were implemented to establish these lists (Housing Portfolio, 2001: 3). One of these processes was a method of auditing existing residents to determine a beneficiary list for persons from Zwelethu, while a more open-ended process of inviting individuals to apply to be on the beneficiary list, was used to create the lists for Morningstar and the rural areas (Housing Portfolio, 2001: 3).

The Zwelethu audit was "based on an audit undertaken by the Council's law enforcement department in 1996 [and] further audits and correction were undertaken in consultation with the community leaders" (Housing Portfolio, 2001: 3). The project committee approved a final list of beneficiaries on 10 October 1999. During the audit process, the original list of 227 was increased to 236 beneficiaries.

The process of inviting residents from Morningstar and the rural areas to apply to be on the beneficiary lists began during 1998. Application for the two lists were closed on 3 May 1999, after exhaustive calls for all qualifying persons interested in the housing in Fisantekraal, were made (Housing Portfolio, 2001: 3) - an example of an advertisement for houses in Fisantekraal during March 2002 is shown in appendix 4. A total of 1836 potential beneficiaries were included in the Fisantekraal waiting list when the above processes were completed. Table 4.6 illustrates how this total was comprised (Housing Portfolio, 2001: 3).

Table 4.6: Potential Beneficiaries for the Project, 1999

Origin	Number
Morningstar	602
Zwelethu	236
Rural Areas	998
Total	**1836**

4.3.4 Subsidy Rationale for the Project

As previously discussed in this study, affordability of housing is a central issue to people's ability to access housing or not. In order to address this issue, two main financial aid provisions were made: a project-linked subsidy mechanism and a credit-linked financing option.

The rationale behind the project-linked subsidy mechanism was to provide subsidies to people who qualified on the basis of their combined monthly household income. Mr Herman Steyn, who was involved in the housing allocation for the project, explained during a personal interview with the researcher (August 2007), that approximately 90% of Fisantekraal's population qualified for the full subsidy amount of R18000, as they earned a combined household income of less than R1500 per month[6] (the income profile of Fisantekraal is discussed in section 4.2.4).

Additionally, those individuals who were able to secure their own additional finance, through personal loans, or loans from their employer, were offered a 'credit-linked' option. This enabled those families to benefit from a bigger top structure in the form of duplexes. These structures are clearly visible from the entrance to Fisantekraal. Furthermore, the People's Housing Process was encouraged to actively assist beneficiaries in the building and financing of their own homes.

[6] Personal communication, Mr Herman Steyn, Director: New Housing, Housing Directorate: Civic Centre, Cape Town. 21 August 2007.

4.4 Phase One

Since only 802 sites were constructed in Phase One, the applications received had to be prioritised (Housing Portfolio, 2001: 3). It was agreed that all the beneficiaries from Zwelethu be accommodated in the first phase, to facilitate complete relocation of the settlement. It was then agreed that the remaining houses be divided evenly between the Morningstar and rural areas beneficiaries.

The community representatives for each group were asked to propose well-motivated priority lists, and the nominations were reported to the Project Committee for approval. In the case of the rural areas, people who were being evicted from the farms on which they resided were considered priorities. "The other beneficiaries were included in accordance with their housing need, as perceived by the community representatives" (Housing Portfolio, 2001: 3). The initial priority lists were approved on 20 May 1999 and 21 June 1999 for Morningstar and the rural areas respectively.

Figure 4.3. Phase One: Houses Allocated Per Group
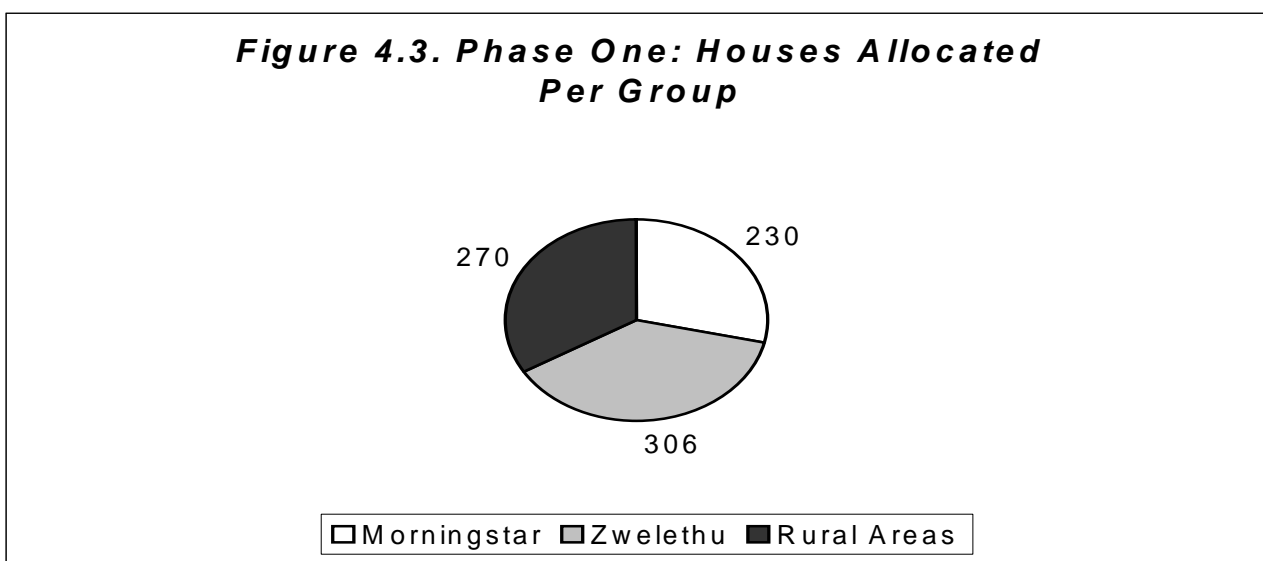
A further 101 people who were under the threat of eviction, but had been erroneously omitted from the list, were added to the rural area list on 10th and 22nd November 1999 (Housing Portfolio, 2001: 3). Less than 100 of the people on the Morningstar list came forward to register for the project and in March 2000, 140 names were added to this list as substitutes. Further names had to be added in July 2000 to complete the quota of

beneficiaries for Morningstar in Phase One (Housing Portfolio, 2001: 3).

During the project, the representatives from Zwelethu made requests that the boarders (lodgers and family members) of the approved 236 beneficiaries be accommodated in the project. These requests, however, were rejected at first. "After a month of protest action and house invasion, and in order to clear the Zwelethu settlement completely, the Council agreed on 11 July 2000, to add a further 167 residents from Zwelethu in the project" (Housing Portfolio, 2001: 4). 66 of these additional beneficiaries were accommodated in Phase One and the remainder was added into Phase Two.

Figure 4.4. Houses supplied compared to demand in Phase One
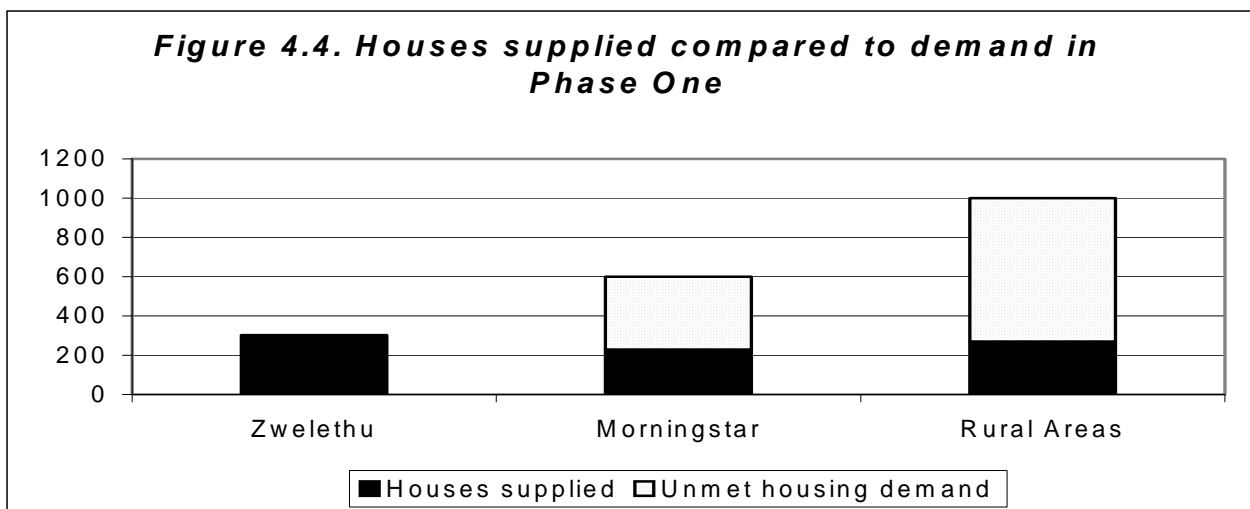
(Adapted from Housing Portfolio, 2001: 6)

Figure 4.4 indicates the number of houses allocated to each group, compared to the total number of applicants for that area. The graph indicates that, while 100% of the applicants from Zwelethu and 38% of the applicants from Morningstar were accommodated, only 27% of the people who applied for a house from the rural areas were accommodated in Phase One (Housing Portfolio, 2001: 4).

It is important to note that the 100% accommodation figure for Zwelethu could be considered misleading, since a set number of beneficiaries were allowed to apply from that area. A number of tenants and lodgers who were staying in Zwelethu at the time were not accommodated in Phase One (Housing Portfolio, 2001: 4).

4.4.1 Conflict during Phase One

During April 2000, a number of site office invasions and work stoppages took place. In May a further protest action took place when 47 houses, including 27 houses still under construction, were invaded and illegally occupied. The Council's law enforcement department and the South African Police were immediately called to guard the remaining unoccupied houses (Housing Portfolio, 2001: 4).

Meetings were held with the organisers of the invasions. Certain terms were agreed to, but after the invaders had failed to act in accordance with the terms, the Council proceeded to lay charges of trespassing against the invaders and all illegal occupants of completed houses were removed, arrested and replaced with new legal beneficiaries (Housing Portfolio, 2001: 4). The illegal occupants of the 27 incomplete houses could not be removed immediately, since the Council was not in possession of these units yet.

Although the Housing Committee originally resolved on 5 June 2000 that all 27 occupants be removed, it was later agreed on 13 June 2000, that 18 of the illegal occupants who were in fact on the beneficiary list for Phase One be allowed to remain in the houses but that the remaining 9 illegal occupants be required to vacate the houses. Over the course of time, four of the above illegal occupants were removed from the houses and replaced with legal beneficiaries (Housing Portfolio, 2001: 4). The project committee opposed the eviction of the remaining five illegal occupants on the grounds that they did appear on the Council's integrated waiting list and would be eligible for a house in Phase Two. Comparison of the draft waiting list for Phase Two revealed that the 5 illegal occupants would indeed have been offered a house in Phase Two in terms of their date of application to the waiting list.

4.4.2 Criticism of Phase One's Selection Process

The selection of potential beneficiaries in Phase One was greeted with much criticism from those seeking housing, as well as the project committee. The Housing Portfolio (2001: 5) highlights the following as points of criticism. Firstly, the selection process was unfair

because anyone was allowed to apply to be on the Morningstar and rural areas list, while the individuals who could be on the Zwelethu list, were selected by the Council, and no one was allowed to be added.

Secondly, the Housing Portfolio (2001: 5) states that the prioritisation process was subjective and irrational and was based on an incomplete database. People were prioritised according to their need for a house as perceived by the project committee. The prioritisation was ultimately undefendable. Thirdly, the date on which the individuals applied for a house, on the Council's waiting list, was ignored. Finally, the community leaders were too heavily involved in the selection of the beneficiaries. Such perceived criticisms were a major motivation for the protest actions and illegal occupation of houses that took place during 2000.

4.5 Phase Two

In response to the above criticisms, it was agreed that a new beneficiary selection process for Phase Two would be implemented (Housing Portfolio, 2001: 6). The development of Phase One had generated a vast amount of interest among people in need of housing in the Durbanville area. This interest led to an increase in the amount of individuals applying to be on the waiting lists.

It was agreed that, in efforts to offer equal opportunities for everyone in Durbanville to receive a house in Phase Two, all 1953 persons on the waiting list at that time be afforded an opportunity to apply for a house. In order to implement this agreement, a week-long registration was held in the Morningstar Community Hall from 17th to 20th July 2000. All individuals who were on the Durbanville waiting list were invited to sign up for a house in the project (Housing Portfolio, 2001: 6).

A further opportunity to sign up was given on the 21 October 2000. The sign-ups were advertised using posters, flyers, newspaper advertisements and communication via community structures. Just over 550 people made such an application before the cut off date.

Phase two consisted of 460 houses in total. 101 of these units had already been allocated to beneficiaries from Zwelethu (as previously described), leaving only 359 houses to the balance of the beneficiaries. 54 individuals who had applied for a house in Phase One, but had still not received one, were granted first priority in Phase Two. This left 305 unallocated houses, as illustrated in Figure 4.5 below.

Figure 4.5. Who are the beneficiaries in Phase Two?

101

54

305

to be allocated ☐ Beneficiaries from Phase One ☐ Zwelethu
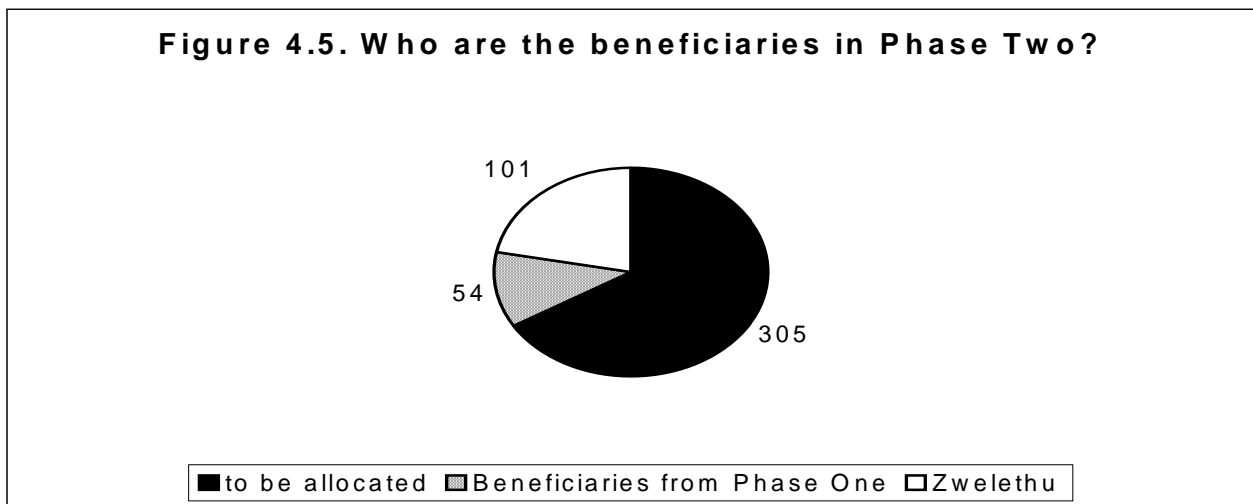
(Adapted from Housing Portfolio, 2001: 7)

In efforts not to encounter the difficulties that were experienced previously with subjective and unempirical prioritisation criteria, it was initially agreed that the beneficiaries would be prioritised in accordance with their date of application to the waiting list. This decision had its origin in a meeting between all three community groups, affected ward Councillors and members of the Executive Committee of the City of Tygerberg in the middle of 2000. An agreement was also reached at a project committee meeting on 7th November 2000, that the list should be prioritised in order of date of application, and that the remaining houses would be allocated to the first 305 beneficiaries (Housing Portfolio, 2001: 7).

4.5.1 Conflict in Phase Two

Contrary to the above supposed agreements, a list of approximately 300 beneficiaries was submitted by the Zwelethu representatives in December 2000, with an accompanying statement that the date of application should not be used as a basis for the selection criteria. The reason for this statement stemmed from the fact that many of the people

staying on the site, (in backyard rooms) would not be accommodated.

Adding to this conflict, the Morningstar representatives also rejected the concept of allocating sites in order of "date of application" on the grounds that they were promised that the 305 sites would be split in half between the Morningstar and rural areas, since Zwelethu was already completely accommodated (Housing Portfolio, 2001: 9). The project committee could not come to a decision, and the meeting was terminated after the Zwelethu representatives walked out.

After a further meeting that yielded no agreement, an independent mediator was appointed in an attempt to reconcile the groups. The mediator proceeded to meet with the groups, after which she submitted a report that highlighted a basic conflict between the Zwelethu and Morningstar interests. Mediation efforts culminated in a project meeting on 1 March 2001, where the groups were still unable to reach a full agreement (Housing Portfolio, 2001: 9). The meeting came to an end when both the Zwelethu and the Morningstar representatives staged another "walk-out" (Housing Portfolio, 2001: 9). The Housing Portfolio (2001: 9) states, "(s)uch actions seem to indicate an unwillingness to negotiate and indicate that further discussion would be fruitless".

Despite the obvious disagreement regarding the details of the allocation, the three groups did however, reach a consensus on two issues. (Housing Portfolio: 2001, 9) Firstly, the list of approximately 550 people who had already "signed up" should be used as a sole basis from which allocations were made. Secondly, the first sites in Phase Two should be allocated to (approximately 54) people who had signed up in Phase One, but had not received a house, as mentioned earlier.

According to the Housing Portfolio, (2001: 10), the three groups had different perspectives on how the unallocated 305 houses should be allocated. Morningstar was of the opinion that the 305 houses should be split 50:50 between the beneficiaries from the rural area and Morningstar. Zwelethu felt that people who were currently living in Fisantekraal (in backyard shacks) should be given preference. Those from the rural areas insisted that allocation should be done strictly in order of 'date of application', therefore no distinction

should be made between beneficiaries from the rural areas and Morningstar.

4.5.2 Alternative Responses to the Conflict in Phase Two

The project was unable to continue until the issue of allocation had been resolved. According to the Housing Portfolio (2001: 8), there were four alternatives in response to the current situation. Firstly, the Council could take a decision on the allocation of the sites, based on the inputs of the three groups and secondly, negotiation and mediation would continue, until such time as consensus is reached. Thirdly, the project could be called off for a year, after which negotiations would resume. Lastly, the project size could be increased in order to accommodate all individuals on the Phase Two waiting list (Housing Portfolio, 2001: 8).

The Housing Portfolio (2001: 8) lists that a number of disadvantages arise in the case of each of these alternatives. Firstly, should the Council make the decision irrespective of the groups' inputs; one or more of the communities will be aggrieved by whichever decision is made (Housing Portfolio, 2001: 8). This could result in more mass protest, work stoppages and house invasion, since the group(s) may wish to "make their voices heard in other ways" (Housing Portfolio, 2001: 8).

The report continues by stating that it seemed the project would be forced to end in conflict with a community group. "This conflict could tarnish the project and may be used by the media to reflect badly on the Council" (Housing Portfolio, 2001: 8). Concerns for the safety of Council workers, contractors and consultants are also listed as drawbacks to the Council stepping in and making the decision. The obvious advantage of this alternative is that the project would be able to proceed immediately.

Admittedly, mediation efforts had not yielded significant results. The Housing Portfolio (2001: 8) expressed optimism that perhaps, "over time, a persistent drive for consensus may prove to be successful". The fact that the project would have to be delayed and that consensus may still never be reached forms the basis of this alternative's disadvantage.

The third option of postponing the project by a year, hands the responsibility for conflict resolution back to the three groups who are in disagreement. The report (Housing Portfolio, 2001: 8) states that this removes the Council from the "middle of the conflict". It further states that it may be argued that the Council's role is to "be in the middle" of the conflict (Housing Portfolio, 2001: 8), and should the former approach be adopted as a standard policy, "it sends a clear message that those communities who are able to co-operate with each other will be prioritized for housing delivery". The negative aspect of this approach is that the project will be delayed yet again and 'innocent' potential beneficiaries will have to wait for their houses (Housing Portfolio, 2001: 8). The final alternative of increasing the project size would mean that all individuals on the Phase Two list would be accommodated and the conflict would supposedly be resolved. The Housing Portfolio (2001: 8) states "[a] decision to increase the project size would indicate a prioritisation by Council of Fisantekraal over potential projects in other areas".

The report (Housing Portfolio, 2001: 9) further emphasises that should this decision be taken, it has to be made clear that the project will not be further extended at a later stage. "To this end it is suggested that, prior to extending the project, an agreement be entered into by all the community stakeholders with the following basic tenant (Housing Portfolio, 2001: 9), the project will not be further expanded, only people currently on the Phase Two list will be housed and illegal occupation of land in the area will not be permitted".

The Housing Portfolio (2001: 9) elaborates extensively on other alternatives and offers these six suggestions below in an attempt to illustrate that any decision that is made, has to be seen "to be objective, fair and equitable". The first option favours the Morningstar community, since the Council could decide that all 129 people on the Morningstar list are allocated houses. The remaining 171 houses can then be allocated to the rural area beneficiaries in the order of date of application (Housing Portfolio, 2001: 9). The second focuses on individuals living on site, in backyard shacks. Should the Council allocate these people the remaining houses, the Zwelethu community would be seen to be prioritised. According to the Housing Portfolio (2001: 9), "a list has been produced by the Morningstar representatives of over 300 persons living on the site. Neither Morningstar nor the rural areas would thus get an allocation".

Thirdly, the Council could allocate the houses 50:50 in the order of date of application. This would in effect mean that Morningstar would have to add 23 names to the list for Phase Two. "Allowing names to be added to the list, places the process of deriving the waiting list, in jeopardy" (Housing Portfolio, 2001: 9). The Council would also run the risk of receiving complaints from other individuals eagerly wanting to place their names on the list too. The fourth option states that the houses could be allocated between the rural areas and Morningstar beneficiaries in a ratio of 1:3, in the order of date of application. It makes sense to divide the allocation proportionally since there are 129 applicants from Morningstar and 412 from the rural areas (Housing Portfolio, 2001: 9).

The fifth suggestion seems the most feasible, it is the most objective and the most defendable, as it focuses not on the groups, but rather on the individuals. The Housing Portfolio (2001: 9) mentions that the houses could be allocated in "date of application" order off one list. Lastly, the remaining houses could be allocated on the basis of individual need, on existing living conditions. The report (Housing Portfolio, 2001: 9) explains that individuals exposed to the worst living conditions would be prioritised, and the criteria (i.e. shack versus brick houses, water availability, etc.) upon which these individuals would be assessed, needs to be agreed on by all parties. Following this, an audit of all 550 people would have to be completed by the Council, forcing the project to be delayed for about two months and would most definitely have a cost implication (Housing Portfolio, 2001: 9).

4.5.3 The Resolution of the Conflict in Phase Two

It was decided by the Council that mediation would continue. Tensions reached a peak between the community groups and the Council, despite exhaustive and extensive efforts to come to an agreement. After a meeting with the Executive Councillor: Housing, in early March 2001, it was decided that the most suitable response would be to extend the project in order to accommodate all the individuals on the waiting list.

It also would be possible to extend Phase Two by the additional 256 sites without breaching the urban edge, by the "use of vacant land within the rail reserve and/or through

acquisition of land directly abutting the southern edge of Fisantekraal" (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 42).

The implications associated with the proposal of extending the project to accommodate all those in Phase Two, are stipulated in the Fisantekraal Urban Edge Review and Expansion Assessment (2002: 41) document. Firstly, one has to assess whether Fisantekraal is indeed the appropriate location for accommodating the demand for affordable housing in the north-eastern sector of the City. Secondly, since Fisantekraal has surpassed its origins as a rural service node on the outskirts of the city, having recently taken on the function of a dormitory urban area, there is wide spread uncertainty about its future prospects and role (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 41). The concern can be summarised by asking, "should it now be promoted as an urban node or should it rather be managed as a transition area?" (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 41).

4.6 The Way Forward for Fisantekraal

The Fisantekraal Urban Edge Review and Expansion Assessment (2002: 45) listed a number of recommendations as to the way forward for the FHDP. Ideally, the agri-village proposed for farm workers should not be pursued as a new rural settlement outside the urban edge. Given bulk services constraints, the amount of sites provided should be limited to 100 (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 45).

Secondly, pending the completion of the new sub-regional wastewater treatment plant, the limited spare capacity that remains should be used to serve both housing and light industrial development purposes (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 45). In this way, local employment creation and housing can be balanced and can also prevent Fisantekraal from becoming more dormitory in function.

Additionally, according to the Fisantekraal Urban Edge Review and Expansion Assessment (2002: 45), other displaced farm workers and the rural homeless should not be accommodated in Fisantekraal on a short term basis. This could arouse community

conflict in terms of housing allocation preference to outsiders and could also identify Fisantekraal as a 'reception' area.

Lastly, the compilation of a spatial development plan for Fisantekraal should be initiated, that addresses various aspects. These include optimising the area's economic development potential; demarcating urban areas; protecting the area's environmental attributes and opening up opportunities for land reform, amongst others (Fisantekraal Urban Edge Review and Expansion Assessment, 2002: 45). Facilities should be clustered together to strengthen this 'community node' and give the settlement a 'central point' (undated document). This will ensure that Fisantekraal boasts one centralised social infrastructure that is more dynamic and effective, drawing more people to the node. This settlement is located in the transition zone between the urban area and the rural countryside (undated document).

According to minutes of the Council's third technical meeting (July 2002), "the need to address the dysfunctional nature of Fisantekraal, through its population threshold, developing/facilitating an economic base and identifying the range/mix of residential and other use components required to make the node sustainable and not just another poverty trap" were discussed. It was agreed that the current size of Fisantekraal is not sustainable and that at least another 1000 units are needed for expansion. "Given that there will be a longer term housing demand in the north-eastern sector serving the entire City, local employment should not be used as a location factor for such housing" (Minutes of third technical meeting, July 2002).

Mr Herman Steyn (2007) added that a third phase is 'on the cards' for implementation within the next two to three years. This phase will inevitably see Fisantekraal double in size, in order to accommodate all those who were not able to access housing during the previous two phases, as well as new informal residents who have moved to the area.

4.7 Conclusion

Due to the rapid expansion of peri-urban and urban areas, increased provision needs to be made for the increased influx of people to these areas. As can be seen from the case study, this is exactly the type of challenge the FHDP had to face. It's original purpose was to provide for a rural service node, with its main focus on agriculture and related activities, This however did not take place. Instead, with the increased number of people entering the area, original development plans had to be adjusted in order to attempt to address this problem. Factors that influenced Fisantekraal's increasing popularity as an adequate area for migrants was largely due to its physical location in that it is relatively close to good infrastructure and employment opportunities. In turn, this is generally also an added bonus when developing low cost housing developments because, as discussed in Chapter 2, these types of housing developments are usually found in areas far-removed from infrastructure and services.

As word spread of the planned housing development, more and more people arrived to this area in the hope of obtaining a house. But this is where one of the largest problems of housing allocation lies, namely the selection of beneficiaries. With the originally established beneficiary lists proving to be inadequate to fulfil the ever-growing demand of houses, the beneficiary selection process became ever-more contentious and problemtatic, resulting in major conflict throughout phase one and two of the housing project which had the unfortunate effect of further delaying the housing delivery process. In this way, the interlinked relationship between housing allocation and delivery can be seen. It would seem from this case study that the biggest hurdle to the delivery of houses to the people of Fisantekraal was the problems experienced in allocating the houses to beneficiaries. This then caused the delay in delivering the houses to the people.

The conflict that arose from this problematic allocation of houses, began to incorporate other facets of the community as well. Additionally, due to the racially differentiated community of Fisantekraal, the predominantly housing-centred conflicts became characterised by racial tension as well.

Despite continued conflict throughout phases one and two of the project, the FHDP was nominated as a contender for the "Best Practice Award" by Professor Johan Burger for the Programme for Public and Development Sector Capacity Building, at Stellenbosch University (see appendix 5).

This nomination was premised on the fact that, according to Burger (2002) the project was able to deliver the most beneficial outcomes. "This can partly be ascribed to 'bringing the project to the people', i.e. efforts were made to acknowledge and strengthen, rather than disturb the existing social fabric by moving the people to a different greenfields site" (Burger, 2002).   Steyn (2007) confirmed that the project did indeed win this award at the end of 2002. Additionally, the People's Dialogue on Land and Shelter (see appendix 6) praised the project for its collaborative partnerships with the Homeless People's Federation/People's Dialogue on Land and Shelter, and the then Tygerberg City Council. The partnerships worked well in this project, because "the city council managed to develop a good linkage with the People's Housing Process and private developers in a harmonious relationship" (People's Dialogue on Land and Shelter, 2002). Steyn (2007) concluded that the Fisantekraal project thereby fostered a good relationship with the People's Housing Process and other such organisations during the duration of the project.

The above 'testimonies' serve to illustrate that amidst conflict and obstacles in the way of housing delivery, these projects can indeed find solutions that best fit the community's needs as well as those highlighted by the Council. Throughout the mediation efforts to curb and decrease the amount of conflict, it is clear that the project leaders and parties involved, made exhaustive efforts to rectify the situation, by constantly holding discussions with community leaders.

The next chapter will focus on the conclusions of the study.   Additionally, recommendations will be made as to how to improve housing delivery in projects such as Fisantekraal.

Chapter Five: Conclusion and Recommendations

5.1 Introduction

In the previous chapter, the FHDP was examined as a case study illustrating the process of housing allocation and delivery. This was done in order to analyse the process of housing delivery in South Africa, with specific reference to housing need and housing policy, so as to draw attention to the relationship between housing policy and practice. The main objectives of the study included attempting to identify the main issues associated with housing allocation and delivery, as well as attempting to illustrate how these processes were managed in practice.

The following section highlights four main findings that have emerged from this case study. These findings will then be discussed in terms of the broader aim of the study in order to evaluate to what extent the study has fulfilled the main objectives identified in Chapter One.

5.2 Overview of Findings

The FHDP was selected to illustrate concretely the difficulties involved in the housing delivery process. It is a story fraught with complexities but is also an example of how low-income housing projects can be reasonably managed in the face of conflicting demands emanating from different stakeholders.

Throughout the study, emphasis has been placed on the important function housing fulfils, not only as physical structures but as homes that form the heart of communities, villages and towns. Furthermore houses influence the situation of schools, shops, health centres and children's play areas. "Together with community facilities and local needs, houses make up the 'residential landscape' that most people fondly associate with their childhood and adolescence" (Golland & Blake, 2004: 5). It is, therefore, vitally important that developers and stakeholders remain acutely aware of this fact when involved in housing projects.

From the Fisantekraal case study, the first main finding has to do with the general housing situation in South Africa. From the literature it is evident that the housing situation experienced in South Africa is not so fundamentally different to those experienced in other developing countries. Rapid urbanisation and migration toward urban hubs plague cities and, as a result, housing authorities are faced with huge housing backlogs. Cities in South Africa, like in other parts of the developing world, are growing. In South Africa, this is characterised by not only internal movements of migrants, but increasingly by immigrants from Africa and other parts of the world. This process places increased pressure on the resources available in South African cities and on the country's ability to provide shelter and services. As a result, financial constraints and funding difficulties exist, and municipalities and local government structures are often under-resourced and are unable to function at full capacity.

The extent to which people migrate to places offering economic opportunities and housing possibilities is evident in the Fisantekraal case study. Phase Two was fraught with difficulties caused by a constant influx of people hoping to receive a house in the project. This competition for housing, a scarce resource, resulted in varying degrees of conflict between beneficiaries themselves, as well as between beneficiaries and local housing authorities.

The second finding pertains to the fact that South Africa's apartheid legacy has shaped the way in which housing projects are structured and motivated. Informal settlements are still often located on the periphery, where access to resources and employment is limited. South African human settlements were characterised by spatial separation of residential areas according to class and population groups, accompanied by disparate levels of service provision, urban sprawl, low levels of service provision, low levels of suburban population density, and the concentration of the poor in relatively high density areas on the urban peripheries, which were often environmentally inhospitable. As mentioned above, the constant influx of families and individuals desperate for housing in Fisantekraal hampered the housing authorities' ability to efficiently meet the housing demand in Phases One and Two. The actualisation of Phase Three is dependant on the availability of land adjacent to Fisantekraal (currently owned by a farmer) and, essentially, the housing authorities' financial ability to purchase the property. Additionally, the issue of 'quantity' versus 'quality' remains a controversial one in most

housing projects, fuelled by reports of mismanagement of funds and sub-standard building and building materials.

One of the more successful aspects of the Fisantekraal case study lies in the fact that it differs, in many ways, to informal settlements mentioned above. Contrary to apartheid spatial planning, it is located within close proximity to a budding transport infrastructure as well as work opportunities and close enough to other residential areas outside Durbanville. Additionally, market confidence in this area is soaring, and from 2003, industrial development in the surrounds of Fisantekraal is on the rise. One industrial business park has already been completed, and the construction of a second, situated directly opposite the entrance to Fisantekraal, has commenced. These factors make Fisantekraal an ideal location for a housing project of this nature. However, with this favourable location comes added difficulties in that increased numbers of migrants will come to these types of areas, desperately seeking these employment opportunities and good infrastructure, which raises the third finding; that of housing supply and demand.

Housing allocation and delivery will always remain a "bone of contention" so long as the demand for housing far outweighs governments' ability to meet this demand. Policies and procedures provide a guideline for successful and satisfactory delivery of housing units but 'the proof of the pudding' lies in the implementation thereof. As is evident from the case study, the housing allocation and delivery process in practice was a problematic, conflict-ridden process. Regardless of the government policies guiding this process, huge problems still existed with the beneficiary selection process. The problems experienced with the allocation of houses due to problematic selection procedures as well as the increased influx of people to the area, resulted in the delays in housing delivery. Much conflict also resulted from this and it begs the question of whether a different beneficiary selection process may not have avoided much of the conflict in the end.

Although the affordability of houses remains a major barrier for many who dream of owning a home, the South African government has formulated a comprehensive housing policy (discussed in Chapter 2) where provision is made, among other things, for a Housing Subsidy Scheme. In this case study, the majority of beneficiaries qualified for this Scheme and were thus able to access housing in this way. It is important to note that although finance for a house is frequently a major obstacle, in this case study, a larger obstacle proved to be the housing allocation process. This illustrates that obstacles to

housing and infrastructure are not necessarily as a result of lack of financial resources but may rather be as a result of a lack of capacity and planning capabilities among those responsible for the selection of beneficiaries.

The final finding illustrates that despite significant housing delivery achievements, the government still faces numerous challenges with regards to policy constraints and subsidy shortfalls. The conversion from the policy framework coupled with the apartheid-style housing delivery on a racial basis was substituted with an income-based housing capital subsidy aimed at the South African poor. This subsidy approach was introduced after the 1994 elections and housing development has been advanced mainly on this foundation (Pottie, 2003: 429). However, problems with the housing subsidy scheme include irregular funding, poorly co-ordinated and discriminatory subsidisation, the value of the subsidy not being consistent with inflation, and the complex subsidy approval and payout methods. There are also problems with targeting and with the affordability of the constant costs of subsidised housing (Smit, 2000: 169). This once again highlights the often huge divides that exist between policy and practice. On paper, the government has formulated a comprehensive housing policy which provides for those who cannot afford a house, access to a subsidy in order to afford this. But in practice, much still needs to be done in order to truly address the many problems that exist in implementing this policy. Some of these problems include the lack of capacity of housing officials to efficiently allocate houses and properly administer the various bodies that have been established to help the poor in attaining access to housing, such as the subsidy scheme. More checks and balances are also needed in order to ensure that money earmarked for specific projects actually go where it is intended.

In conclusion, the FHDP has been a very good depiction of how the process of housing allocation and delivery takes place in practice. Although it has been relatively successful through the course of this process, numerous problems and challenges arose, some of which have yet to be resolved (such as phase three of the housing project). These challenges involved problems with beneficiary selection and thus allocation, which resulted in much conflict and delays in the delivery of housing to those in desperate need of not only houses but also the emotional connotations around homes and how these are the building blocks of neighbourhoods, communities and societies.

Through this study it was found that housing challenges are not unique to South Africa but are found in many other developing countries with similar housing situations. These problems are further exacerbated by South Africa's apartheid legacy, with its racially separate settlement patterns and the resulting unequal distribution of resources which has caused many to be removed to the periphery of society. Furthermore, it is evident from the findings above, that housing projects are unique in their location and circumstance. Equitable and beneficial outcomes are reliant upon good partnerships during the project, as well as clear communication and transparency. These factors are essential to ensure that the community's needs and concerns are taken seriously, especially in the face of housing provision. Great emphasis should thus be placed on the importance of government and community partnerships, the transparency of the housing allocation process and an element of timeliness where delays are avoided so as to minimise the opportunities for conflict to arise. There is thus a tangible gap between policy and practice and in the next section, it is hoped to provide some recommendations aimed at bridging this gap between policy and practice.

5.3 Recommendations

There should be a stronger, more concentrated focus on the process of allocation of housing. This should include extensive guidelines on how beneficiary lists are developed and subsequently allocated to these beneficiaries, especially in light of the fact that there is a constant increase in possible beneficiaries as people migrate more and more to urban areas. It is also recommended that the capacity for dealing with issues arising from the allocation process is addressed in order to ensure that all role-players are able to complete their tasks with utmost efficiency and competence. Such capacity development includes human resource management, organisational development, resource allocation and institutional and legal framework development. Partnerships between municipalities and other governmental or non-profit organisations are also significant means of developing capacity; mechanisms for forming partnerships with communities and NGOs need to be examined as competitive tendering processes are inappropriate mechanisms for setting up these partnerships. (Department of Local Government and Housing 2005: 16).

Furthermore, in order to successfully allocate and deliver houses to the correct beneficiaries, an integrated consultative process is necessary with all the relevant stake-

holders such as the community members and government officials. Integration and co-operation must shape the groundwork in all efforts to increase sustainable human settlements. This should include the participation of all stakeholders and role players and the active input of communities. Integration must be attained at diverse levels, for example, "the integration of processes; institutional and urban management arrangements; role players and stakeholders; various affected sectors and physical aspects such as the structure of urban environments should be included" (Department of Local Government and Housing, 2005: 13).

Another issue that goes hand-in-hand with the above issue of capacity development, is that of resource mobilisation. It was clear from the case study that although the subsidy scheme was made available to the majority of beneficiaries, this still did not solve the housing allocation problem. Therefore even with the affordability issue being addressed, there was still a delay in delivering housing due to the allocation process. This speaks directly to the capacity development point. However, the housing subsidy formula in itself is in need of revision. In order to overcome bias, the housing subsidy formula should, as much as possible, use variables that take account of provincial disabilities and peculiarities, as this will, to a large extent, eliminate bias. Typically, factors such as traditional housing, delivery capacity and development potential should be taken into account (FFC Submission for the Division of Revenue, 2007: xvi).

Finally, further case studies of housing allocation and delivery are needed where similar developing country contexts are examined in order to establish best practice guidelines for dealing with the rapid urbanisation occurring in the developing world. In this way, governments and communities will best be able to benefit from the information that exists in order to ensure less conflict during this process and more efficiency so that the poor have access to houses and homes that form the core of our societies.

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Appendix 1: The Housing Policy Framework

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CONSTITUTION OF SOUTH AFRICA

HOUSING WHITE PAPER OF 1994

HOUSING ACT OF 1997

National Housing finance Corporation (NHFC) and

National Urban Reconstructing Housing Agency (NURCHA)

Housing Subsidy Scheme:
- Project linked subsidy
- Individual subsidy
- Consolidation subsidy
- Institutional subsidy
- People's Housing process
- Rural subsidy
- Hostels development grant
- Discount benefit scheme

Human Settlements Redevelopment Grant and Consolidated Municipal Infrastructure Programme (CMIP)

Lenders

Municipalities

Credit

Subsidies

Provision of facilities and infrastructure

Beneficiaries

REGULATIONS: National Norms and Standards for Permanent Residential Structures

National Building Regulations

National Home Builders Registration Council (NHBRC)

Environmentally Sound Low-Cost Housing Guidelines

Guidelines for Human Settlement Planning and Design

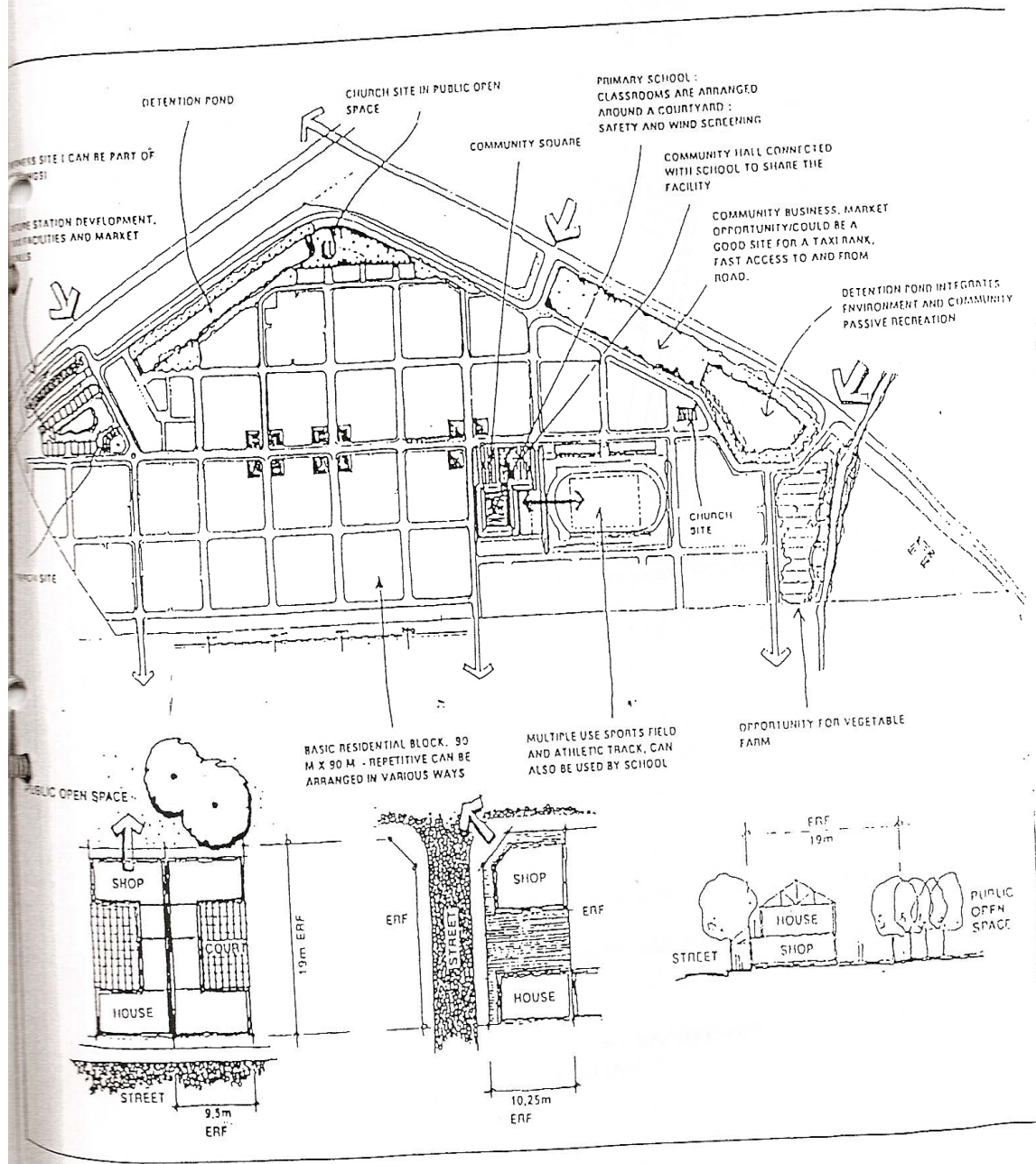(Adapted from the People's Budget Campaign, 2001: 7)

Appendix 2: Map of Fisantekraal and Surrounding Areas
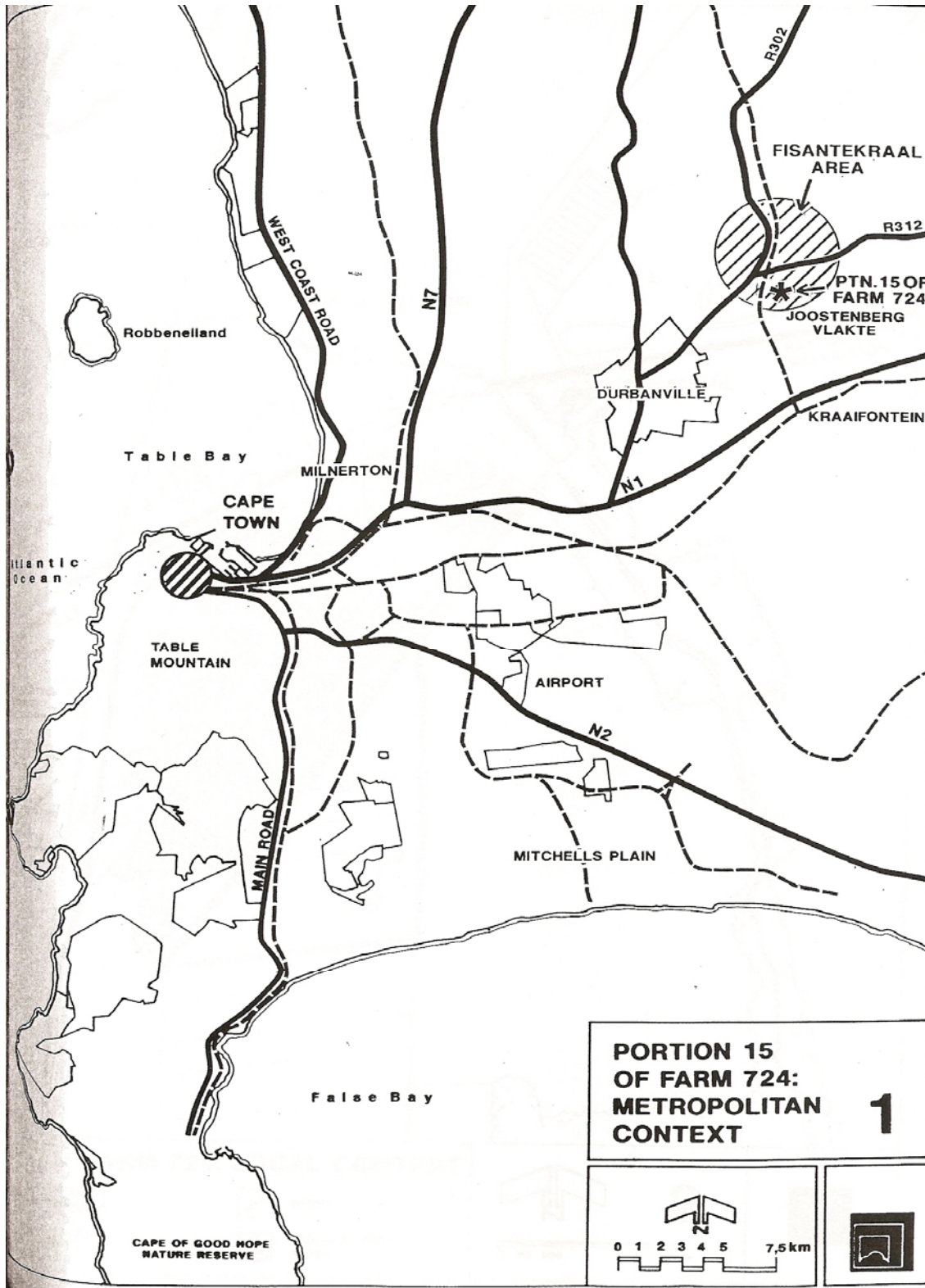
Appendix 3: Original Layout Plan for Fisantekraal

PLAN 2

ORIGINAL LAYOUT PLAN AS SUBMITTED FOR THE FISANTEKRAAL INFORMAL SETTLEMENT

Appendix 4: An Example of an Advertisement for Housing in Fisantekraal

HOUSES FOR SALE Fisantekraal

The City of Cape Town hereby invites interested persons to apply for one of the 44 high density houses to be developed at Fisantekraal. Three alternative house types are to be built as follows:

OPTIONS	DESCRIPTION (All options have a bath, toilet and wash trough)	TOTAL PRICE (Land and house, incl. VAT)	Amount which applicants qualifying for a full national housing subsidy* will will have to pay themselves (incl. vat)
Option 1	48m² semi-detached double storey with wooden 1st floor	R30 519,00	R9 800,00
Option 2	48m² semi-detached double storey with concrete 1st floor	R34 433,00	R13 800,00
Option 3	72m² semi-detached double storey with concrete 1st floor	R43 364,00	R22 800,00

* i.e. applicants with a household income of less than R1500 per month.
- Plans of the houses are available from the Council's office:
  Belpark Building, 20 Voortrekker Road, Bellville
- Only persons who were on the Council's Durbanville housing waiting list before 11 February 2002, and who qualify for a National Housing Subsidy, qualify to apply for one of these houses.
- The houses will be allocated on a first-come first-serve basis.

Applicantions will be received at the Fisantekraal site office. Applicants may be submitted from 09h00 on 23 March 2002 and will be closed once 44 applications have been received.

The following must be submitted together with the application before it is accepted:
1. The applicant's waiting list number (with a date of application before 11 Feb. 2002)
2. Either a cheque made out to the City of Cape Town for the full amount of the shortfall (as indicated in the table above) or a letter from an accredited lending institution indicating that a loan for the above amount has been approved for the applicant and will be paid to the Council on occupation of the house.
3. Both applicant and spouse's ID documents.
4. Birth certificates of dependants (if applicable).
5. Proof of current income (payslip or letter from employer).
6. Marriage certificate (if married).

Failure to supply the above will mean that an applicant will not be accepted and the potential applicant may thus lose their opportunity on a first-come first-serve basis.

For enquiries, contact Alan Dinnie 918 7268

Appendix 5: Nomination of Fisantekraal for Best Housing Practice Award

UNIVERSITEIT VAN STELLENBOSCH
UNIVERSITY OF STELLENBOSCH

32/3/1/K/2/5

21 August 2002

The Chairperson: Western Cape Branch
Institute for Housing of Southern Africa
PO Box 853
Durbanville
7551

Dear Mr Hopkins

NOMINATION OF THE FISANTEKRAAL HOUSING PROJECT FOR THE BEST PRACTICE AWARD

This institution was involved in research into and the assessment of a number of housing projects during 2002 to determine the outcomes of the projects in terms of broader development impact.

In spite of its remoteness in the Cape Town Metropolitan area, the Fisantekraal project delivered the most beneficial outcomes. This can partly be ascribed to "bringing the project to the people", i.e. efforts were made to acknowledge and strengthen, rather than disturb the existing social fabric by moving the people to a different greenfields site. The project team also extensively consulted with the beneficiaries before and during planning and execution.

We therefore wholeheartedly support the nomination of the Fisantekraal project for the best housing practice award.

Kind regards

PROF JOHAN BURGER
Housing Research Co-ordinator

CONSULTUS
Program vir Openbare en Ontwikkelingsektor Kapasiteitsbou
Programme for Public and Development Sector Capacity Building
SKOOL VIR OPENBARE BESTUUR EN BEPLANNING / SCHOOL FOR PUBLIC MANAGEMENT & PLANNING
POSBUS/PO BOX 610, 7535 BELLVILLE, SUID-AFRIKA/SOUTH AFRICA
TEL: (021) 918 4127   FAKS/FAX: (021) 918 4407
Internet: http://www.consultus.sun.ac.za

Appendix 6: Appraisal by the People's Dialogue on Land and Shelter

People'- ~~~~ ~~~ +27 Land & Shelter
P O Box 34639, Groote Schuur, 7937
Phone - (021) 4474740   Fax - (021) 4474741
E-Mail – admin@dialogue.org.za

23 August 2002

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THE FISANTEKRAAL HOUSING PROJECT

The Fisantekraal housing project has been the most fantastic project ever to be managed
by the Homeless People's Federation/People's Dialogue alliance in the Western Cape.
This was mainly due to the kind of partnership that we had with the then Tygerberg city
council. The project basically belonged to the Tygerberg city council, but the city council
managed to develop a good linkage between the PHP and private developers in a
harmonious relationship.

Through this partnership and linkages a lot has been learnt by all parties involved, and the
relationship filtered through to the beneficiaries.

We in this alliance would very much love to see this being used as a good learning tool
for future housing and community development projects.

Thanking you

Yours truly

Thami Maqelana
(Regional Co-ordinator – People's Dialogue)

FAX TO: Allan Dinnie
COMPANY: Tygerberg Adm...PAGE:_____OF:____
FAX NO: 918 7270 J_____ DATE: 23/08/02
FROM: _____Thami MAQELANA
COMPANY: People's Dialogue PHONE NO: 0825053535<
FAX NO: 3714668_____ **Post-it** FAX PAD 7551

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