

**AN EVALUATION OF SELECTED HOUSING
STRATEGIES WITH SPECIAL REFERENCE TO
KHAYELITSHA**

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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. All references used in this thesis have been acknowledged and authors named in quotes.

March 2000

ABSTRACT

This thesis attempts to provide alternative solutions to housing and developmental problems faced by the government in South Africa's urban/metropolitan areas in general and in Khayelitsha in particular. The root causes of the problems have been identified and linked to urbanisation-related government policies of the past. The Group Areas "urban model of development" influenced the planning, management and development (spatial policies) in the urban/metropolitan areas.

The rural-urban migration process through the migrant labour system during the industrialisation period was engineered by the "Corporate State" and consolidated by the introduction of tax systems and laws regulating land ownership by the African people (Natives). These have impoverished the African people both in rural and urban/metropolitan areas. The existing gap in development between rural and urban/metropolitan areas, in particular in the peri-urban areas, is evident in persistent poverty and unemployment as effects of the conditions which generate increased migration.

In this context, Khayelitsha is used as a case study to illustrate study variables (urban policies and management, rapid urbanisation and their impact on housing and development) at grassroots level. Comparison is made undertaken between South African housing and developmental problems and those of other developing countries. Tanzania and Zimbabwe as African countries and former British Colonies (African connection) have been chosen for this purpose. Data were gathered through questionnaires, interviews and participatory observation. This makes the study objective, but also subjective.

The research concludes that there is a need to devote more resources to rural development programmes accompanied by decentralisation strategies. This will help to reduce the gap between rural and urban development. It is hoped that the information contained in this thesis will provide a basic background to meet the social and economic challenges by addressing housing and developmental problems, in Khayelitsha in particular and South Africa in general.

OPSOMMING

In hierdie tesis word daar gepoog om moontlike oplossings te vind vir die behuisings- en ontwikkelingsprobleme wat deur die Suid-Afrikaanse regering in stedelike/metropolitaanse gebiede oor die algemeen en Khayelitsha in die besonder ondervind word. Die kernoorsoke van die probleme word geïdentifiseer en verbind aan die vorige regering se verstedelikingsbeleide. Beplanning, bestuur en ontwikkeling (ruimtelike beleide) in die stedelike/metropolitaanse gebiede is beïnvloed deur die Groepsgebiede-model vir stedelike ontwikkeling.

Die landelike-stedelike migrasieproses, geïnisieer deur die trekarbeidstelsel gedurende die industrialiseringsera, is deur die “Korporatiewe Staat” bewerkstellig en gekonsolideer deur die instelling van belastingstelsels en wette ter regulering van grondbesit deur swart mense. Dit het gelei tot die verarming van swart mense in landelike en stedelike/metropolitaanse gebiede. Die bestaande gaping in ontwikkeling tussen landelike en stedelike gebiede, in die besonder in buitestedelike gebiede, blyk duidelik uit gevestigde armoede en werkloosheid as uitvloeisels van die omstandighede wat tot toenemende migrasie lei.

In hierdie konteks is Khayelitsha gebruik as ‘n gevallestudie om die studieveranderlikes (stedelike beleide, stedelike bestuur, snelle verstedeliking en die impak daarvan op behuising en ontwikkeling) op voetsoolvlak te illustreer. Vergelykings is getref ten einde Suid-Afrikaanse behuisings- en ontwikkelingsprobleme met ander ontwikkelende lande te vergelyk. Vir die doel is Tanzanië en Zimbabwe as Afrikalande en eertydse Britse kolonies (Afrika-konneksie) gekies. Data is ingesamel deur middel van

vraelyste, onderhoude en deelnemende waarneming. Dit het daartoe gelei dat die studie nie alleen objektief nie, maar ook subjektief is.

Die studie kom tot die gevolgtrekking dat meer hulpbronne tesame met desentraliseringstrategieë gerig op landelike ontwikkelingsprogramme benodig word. Dit sal bydra tot vernouing van die gaping tussen landelike en stedelike ontwikkeling. Daar word derhalwe gehoop dat die inligting vervat in hierdie tesis basiese agtergrond sal verskaf om die sosiale en ekonomiese uitdagings die hoof te bied deur die bestaande behuisings - en ontwikkelingsprobleme in Khayelitsha in die besonder en Suid-Afrika oor die algemeen aan te spreek.

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I dedicate this study to my whole family, in particular my father Khululekile and mother Nolivini who are aged 80 and 73 years respectively, who were behind me during the time of financial difficulties.

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3. Mr. Vuyani Ngcuka – then Mayor of Lingeletu West Transitional Local Council (TLC), Khayelitsha.
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EXPLANATION OF ABBREVIATIONS

ACC	Advanced Capitalist Country
ACHAR	Association for Community Housing and Reconstruction
ADB	African Development Bank
AML	Association of Mortgage Lenders
ANC	African National Congress
AZAPO	Azanian Peoples' Organisation
BLA	Black Local Authority
CABS	Central African Building Society
CATA	Cape Amalgamated Taxi Association
CATU	Cape African Teachers Union
CBO	Community-Based Organisation
CCM	Chama cha Mapinduzi
CMC	Cape Metropolitan Council
CODETA	Congress for Democratic Taxi's Association
COSAB	Congress for South African Bankers
COSATU	Congress of South African Trade Unions
CPA	Cape Provincial Administration
CPI	Consumer Price Index
DBSA	Development Bank of Southern Africa
DP	Democratic Party
EDGE	Exploring Development and Growth Empowerment
ERP	Economic Recovery Programme
ESKOM	Electricity Supply Commission
EXCO	Executive Committee
GDP	Gross Domestic Product
GMSA	Good Morning South Africa
GNP	Gross National Product
HDI	Human Development Index
HSL	Household Subsistence Level
IDT	Independent Development Trust
ILO	International Labour Organisation
IMF	International Monetary Fund
INLOGOV	Institute for Local Governance
KDF	Khayelitsha Development Forum
KHARA	Khayelitsha Residents' Association
LDC	Less Developed Country
LWTC	Lingeletu West Town Council
MEC	Member of Executive Council
MIF	Mortgage Indemnity Fund
MIS	Mortgage Indemnity Scheme
NACTU	National Council for Trade Unions
NGO	Non-Governmental Organisation
NHC	National Housing Corporation
NHF	National Housing Forum
NHFC	National Housing Finance Corporation
NP	National Party
ODA	Official Development Association
PAC	Pan Africanist Congress
PAGAD	People Against Gangsterism and Drugs

PDL	Poverty Datum Line
PHB	Provincial Housing Board
PHFCT	Permanent Housing Finance Company of Tanzania
PQLI	Physical Quality of Life Index
PUPS	Paid-up Permanent Shares
RDP	Reconstruction and Development Programme
RHB	Regional Housing Board
RSC	Regional Services Council
SABC	South African Broadcasting Corporation
SADTU	South African Democratic Teachers Union
SAHT	South African Housing Trust
SANCO	South African National Civic Organisation
SAP	South African Police
SARB	South African Reserve Bank
SERVICO	Service Organisation
TANU	Tanganyika African National Union
TB	Tuberculosis
TBVC	Transkei, Bophuthatswana, Venda and Ciskei
THB	Tanzania Housing Bank
TLC	Transitional Local Council
UF	Urban Foundation
URF	United Residents' Front
USAID	United States Agency for International Development
WECUSA	Western Cape United Squatters' Association
WFHDF	Workers' and Farmers' Housing Development Fund
WHO	World Health Organisation
ZANU-PF	Zimbabwe African National Union – Patriotic Front
ZAPU	Zimbabwe African Peoples Union
ZBS	Zimbabwe Building Society

GLOSSARY

Household Subsistence Level (HSL) and PDL - these measurements attempt to quantify incomes required for satisfying basic needs. However, even if incomes are sufficient to provide for basic needs fulfillment, there is no guarantee that income will be so utilised.

Housing policy – a policy usually comprises a statement outlining the aims of the policy. Thus a housing policy is a statement by a government outlining its goals regarding the allocation of available resources in order to provide housing for its people.

Housing strategy – the term strategy as used here implies guidelines and methods for providing housing in the most effective way. A housing strategy is usually based on a predetermined housing policy and therefore it is essential for a strategy to be feasible.

Per Capita Income and PQLI - these measurements indicate that economic growth is a necessity, but not a precondition for the elimination of poverty through economic development.

Physical Quality of Life Index (PQLI) – this index combines equally indices of infant mortality, life expectancy, and adult literacy rate. It indicates the effects of nutrition, public health, income and the general environment. These indicators are also sensitive to different dimensions of the social process, while life expectancy figures reflect general environmental characteristics; the infant mortality rate reflects the position of women in the household and society at large. In so much as literacy reflects the extent to which groups share or will be able to share in the benefits of economic growth, it is a measure of well-being (the ability to read and write). At the same time, literacy is a skill. The calculation of the **Literacy Index** refers to the percentage of the population over the age of fifteen that are literate.

Poverty – the concept is used in both an absolute and relative sense. As an absolute measure, poverty refers to a lack of resources or failure to fulfil basic human needs. Relatively, poverty means that some are relatively less well-off than others and thus feel relatively deprived. Issues of poverty and inequality are closely interrelated.

Poverty Datum Lines (PDLs) – consist of the income equivalent of a basket of goods that are considered necessary to provide for the theoretically derived minimum requirements of a household to survive in the short term. Minimum requirements depend on the prevailing socio-economic conditions, and so will differ between societies over time. The **Poverty Datum Line** is a useful measure of absolute deprivation.

Projects for upgrading of squatter areas – projects aimed at the rehabilitation of squatter areas by improving the physical infrastructure and essential services, as well as by dividing the land into sites.

Site and Services Schemes – the term refers to a system where a site with basic services such as water and sanitation is provided and on which the owner him/herself has to erect the house, or to improve it if it already exists.

Squatter areas – are usually on the periphery of urban areas and are characterised by haphazard settlement of families in non-permanent structures. Large-scale shortages of physical infrastructure and essential services are another characteristic of these areas.

Ujamaa – is a traditional African value system of collective and communal living and production based on the traditional African values of familyhood and self-reliance.

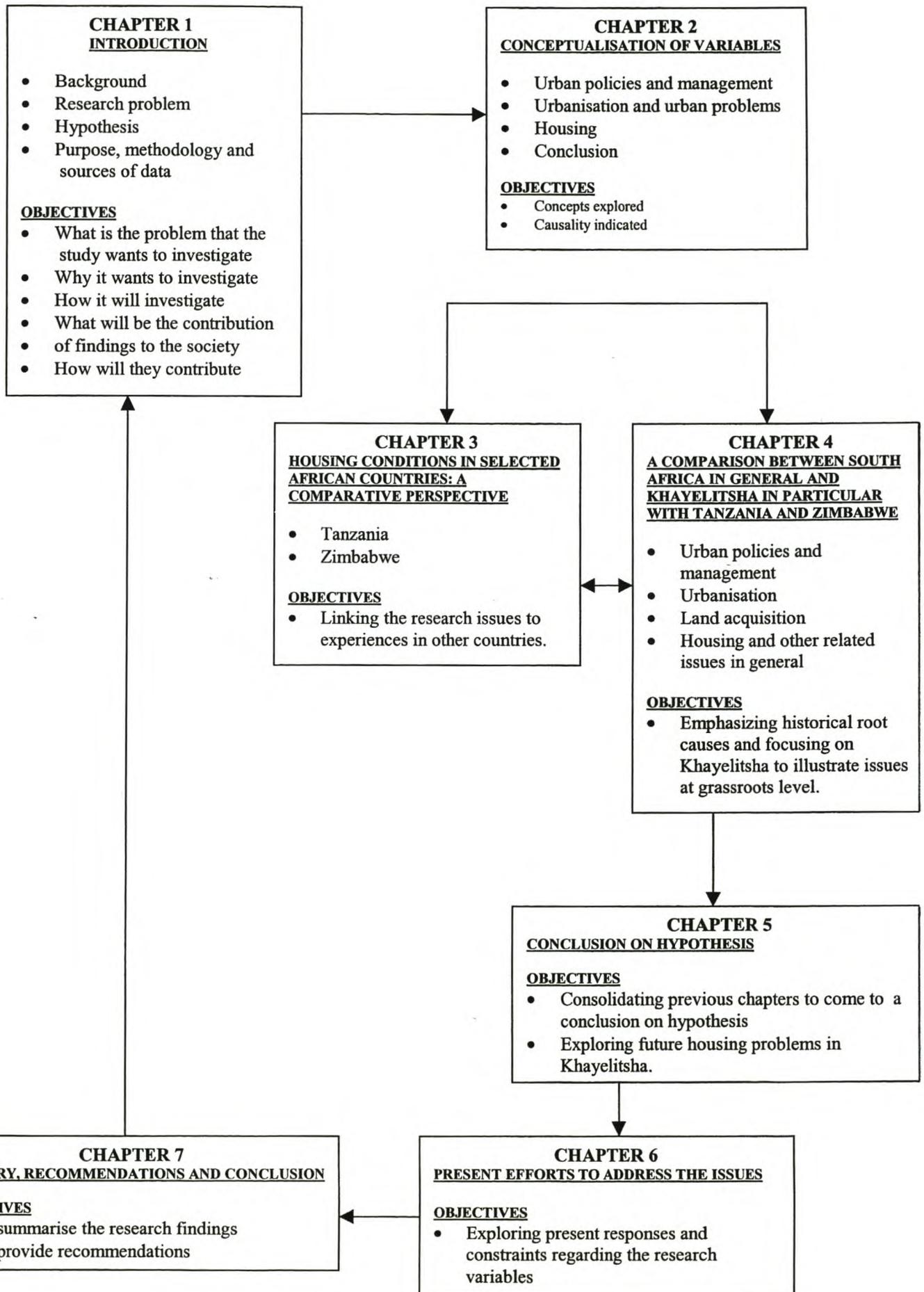
Underemployment - exists when a person's employment is inadequate in relation to normal hours of work (35-40 hours per week) or alternative employment. There are two types of underemployment, i.e. visible underemployment, where persons involuntarily work less than the normal hours of work and are seeking additional work; and invisible underemployment, which is a misallocation of labour resources, for example the under-utilisation of skills or low productivity.

Unemployment - exists when a person who is currently available for work and is seeking work, is without work. The unemployment rate is the number of unemployed persons taken as a percentage of the total economically active population (EAP).

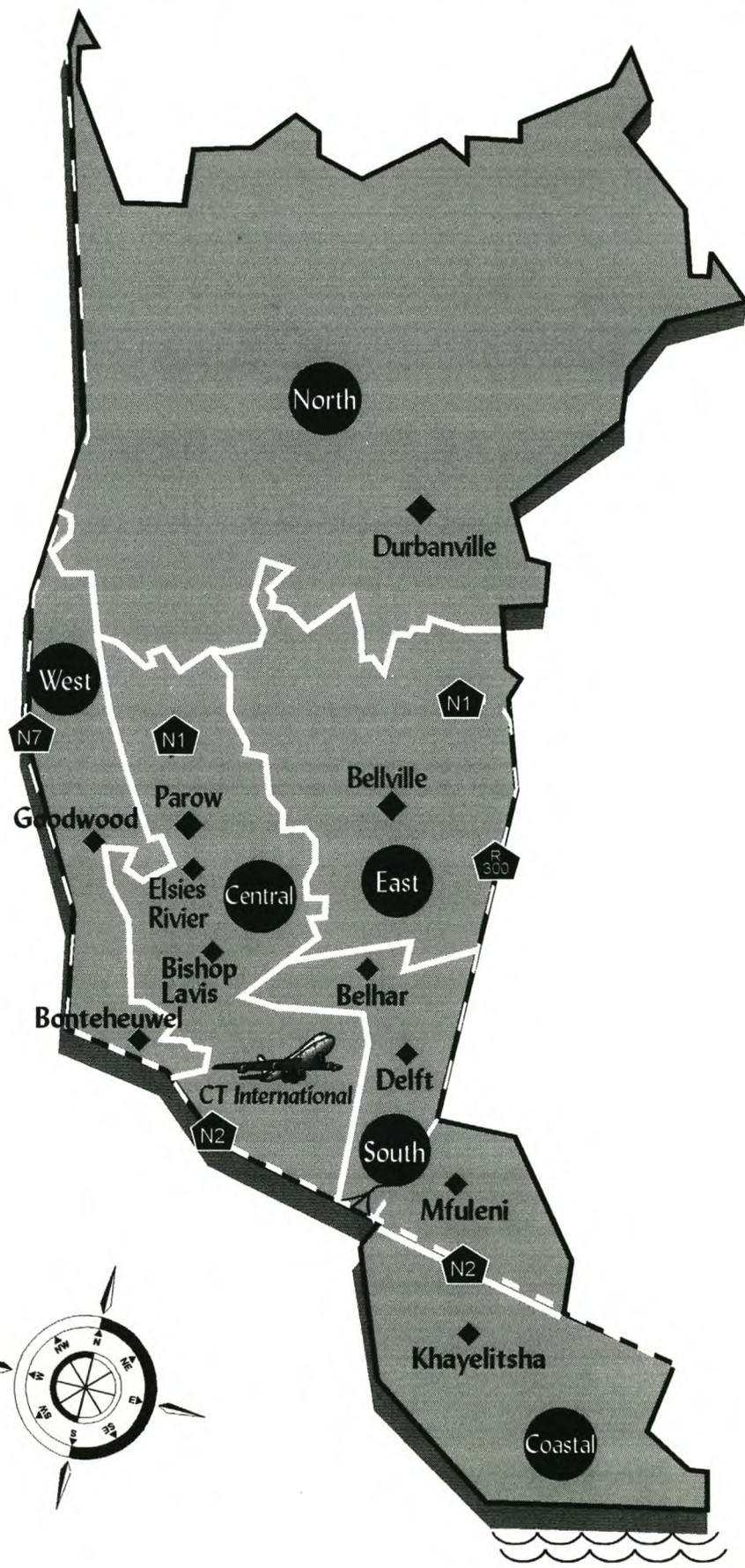
FORMULA:

$$\text{Unemployment rate} = \frac{\text{number of unemployed}}{\text{total EAP}} \times \frac{100}{1}$$

Figure 1: Flow chart of the study process



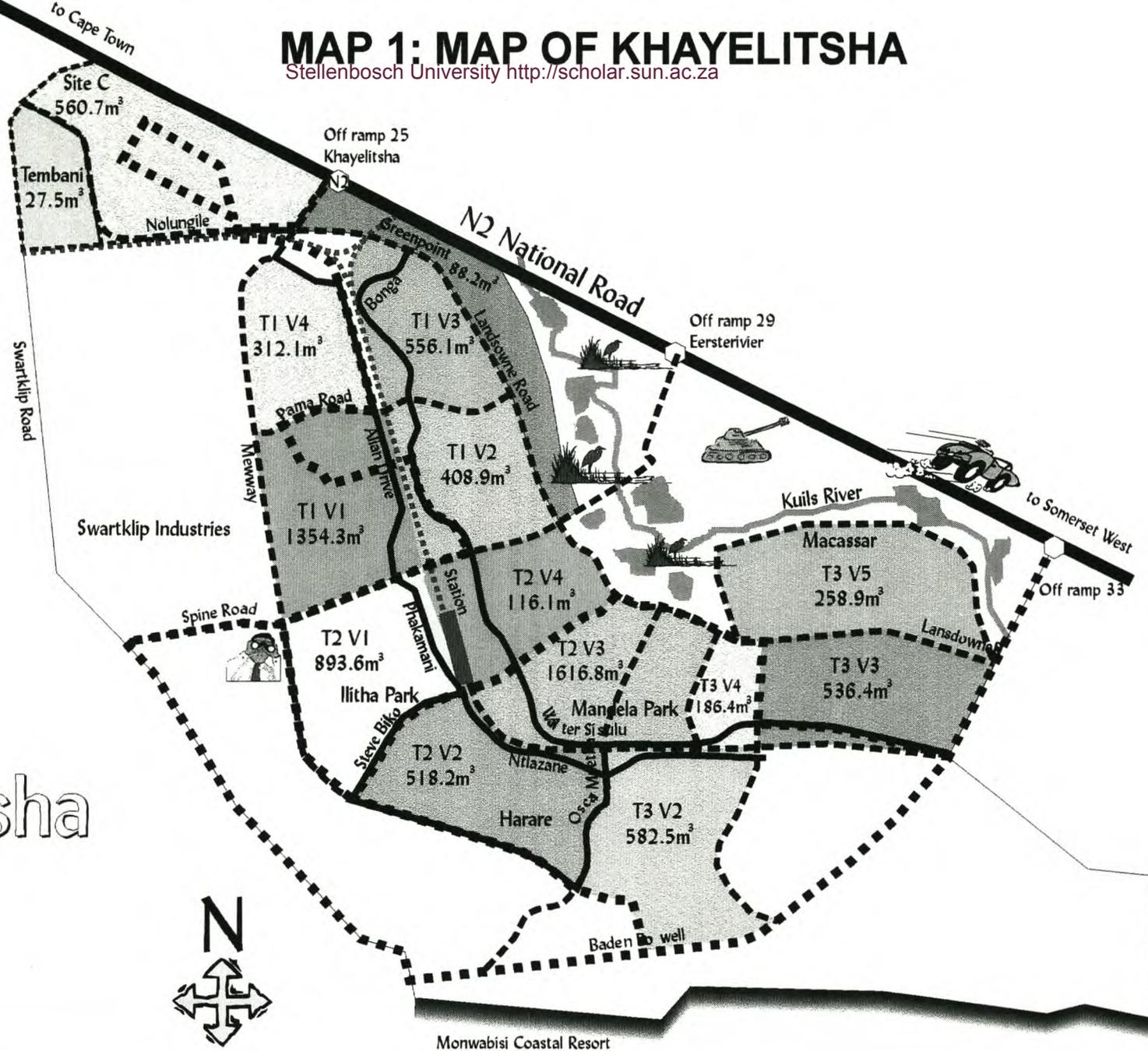
MAP 2: MAP OF CITY OF TYGERBERG



MAP 1: MAP OF KHAYELITSHA

Stellenbosch University <http://scholar.sun.ac.za>

Khayelitsha



1. INTRODUCTION

1.1 BACKGROUND

INTRODUCTION

- Background
- Research problem
- Hypothesis
- Purpose, Methodology and Sources of Data
- Limitation of the study
- Delimitation of key concepts
- Integration of Analytical Concepts
- The structure of the study
- Conclusion

OBJECTIVES

- What is the problem that the study wants to investigate
- Why it wants to investigate the problem
- How it will investigate
- What will be the contribution of findings to the society
- How will they contribute

The road from the apartheid system is obviously not an easy one, especially with questions such as who owns and controls the limited available resources of the country. South Africa is in a transition phase. Therefore it needs an enabling environment conducive to integrated social and economic development. It also needs an economical way of mobilising, managing and utilising the resources in the needy areas to enable the achievement of sustainable development. This calls for well-informed and concerted efforts of all stakeholders, including the beneficiaries, i.e. the community. Such efforts are prerequisites for successful sustainable participatory development. These efforts are viewed as the foundation of true development through self-reliant participatory development at grassroots level.

The government is facing, amongst others, the challenge of housing the nation. It has a national obligation of eliminating the existing housing backlog in the African townships in particular. This, however, cannot be solved in isolation from the issues of residential land availability, an appropriate housing finance system and rapidly growing urbanisation in South Africa. The spatial patterns, including urbanisation trends, infrastructure and social services provision, the building of houses for low-income groups, as well as the requisitioning of land for housing and development emerged as key factors in resolving urban housing crises. Given the existing problems of landlessness, homelessness, joblessness, low life expectancy, gross social inequalities and millions of people who live under destitute conditions in the African townships throughout the country, the present government has inherited immense

problems generated by apartheid policies, particularly regarding urban policies and management, land ownership and housing development. Comprehensive land redistribution integrated rural and urban development, and urbanisation policies are priorities. Land for housing and development, a housing finance system and the impact of negative urbanisation on housing are the main factors that will be analysed and examined in the study. This introductory chapter will briefly discuss the above-mentioned three interrelated factors. These factors will be discussed extensively in the subsequent chapters.

Beginning with the first factor, i.e. the land issue, the unavailability of well-located suitable and serviceable land to implement the Reconstruction and Development Programme (RDP) for housing and other related community projects, is a primary problem that faces many communities throughout the country. Another aiding factor that is complicating the issue of land availability, is the commodification or commercialisation of land by the affluent privileged groups in South Africa (Kok and Gelderblom, 1994:95). One of the main reasons why the issue of land arouses emotions is the principle that land allocation has been organised almost exclusively on a racial basis. This complicates the provision of land for African urbanisation in particular.

By and large, the land allocation policy of the past has contributed to the housing shortages and lack of sufficient suitable land for residential areas, particularly for deprived communities. It exacerbates an already critical housing shortage and supply of sufficient suitable land for the low-income housing category. The commodification or commercialisation process has further complicated the housing debate and also gives rise to the land monopoly and exploitation of the poor under the pretext of private investment. This is evidenced in the case of Khayelitsha where large portions of land are owned and controlled by the South African Housing Trust, Solly Essop, Fair Cape and other private developers, rather than by the Local Authority. Land for building purposes owned privately has been a major contributing factor towards the house price inflation in recent years. This suggests that Local Authorities should retain ownership of the land and act as a development agent.

The commercialisation of land is likely to cause a delay in housing development and implementation of RDP projects envisaged in Khayelitsha. The extent of the challenge facing the government derives not only from the size of the housing backlog, but also stems from apartheid policies regulating development, as well as land ownership or occupation by Africans both in the rural and urban/metropolitan areas. Laws such as the Group Areas Acts of 1950 and 1966, Influx Control, forced removals or land dispossession consolidated by the 1913 and 1936 Land Acts had negative consequences that led to what is termed "a crisis in housing and development of the African population". In this regard Giliomee and Schlemmer (1985:45) pointed out that under the 1913 Land Act only 10 million morgen of land was allocated to indigenous people (Natives) of South Africa. In 1936 the Native Trust and Land Bill was passed, which made provision for the release of an additional 7 million morgen to Africans. This meant that ultimately only 17 million morgen (13% of South Africa) could come under African control.

The second factor is the issue of housing finance. The source of finance is one of the constraints facing shelter development schemes in South Africa, especially for the poorest of the poor struck with an irregular income or no income at all and high levels of unemployment. The lack of finance for housing provision resulted in spontaneous self-construction by the urban poor, using any available material they could afford. As a result of this phenomenon, proliferation of shack settlements emerged in the African townships, perceived as the only viable alternative by the desperately urban poor. In South Africa, the poorest of the poor constitute 70% of the total population (Leading Edge, 1996:18). Consequently, housing shortages in the African sector of the population accounted for 93% of the estimated backlog (Race Relations Survey, 1994/95:507). In Khayelitsha, 75% of housing are shacks.

The third factor is the impact of negative urbanisation. The political economy had an effect on the push-pull factors behind urbanisation trends in South Africa's major cities. This problem can be attributed to historical events. For example, during industrialisation, the 'corporate' State facilitated the rural-urban migration process to create wage-labourers to work in the cities as migrant workers leaving behind their families (Wilson, 1972:1-7). To achieve this, the State imposed taxes ("Poll and Hut

Tax") to be paid in cash by individual households. The State also used both Land Acts of 1913 and 1936 to consolidate this objective, because it knew that most Africans are traditionally tied to the land. This process has impoverished and degraded rural areas by stripping off its human resource. Consequently, rural people (mainly Africans) came to metropolitan areas in large numbers with the purpose of seeking employment. This "rural exodus" reached a stage where cities became unable to absorb all the new urban arrivals/migrants. In response to this self-created problem, the State introduced restrictive measures to control the movement of Africans in urban areas. The urbanisation of Africans was controlled through an Influx Control or Pass system. In 1955 Dr. Eiselen said that...“only migrant workers might come. No Blacks (i.e. Africans) would get jobs if there were “Coloured” people who could do them” (Black Sash & The Surplus Peoples Project, unpublished booklets). This was the beginning of a Coloured Labour Preference Area Policy that was used in the workplace and housing provision in favour of “Coloureds” against Africans. The Group Areas Acts of 1950 and 1966 have also influenced urban development, particularly, housing provision for Africans. These were part of urban policies implemented by apartheid governments and managed bias in favour of certain sections of the population (Nash, 1976:53-60).

The manner in which urban policies were introduced in the past by authorities has significantly contributed to the current problems of lack of planning and development in urban/metropolitan areas. Not only restrictive urban policies were used, but housing policy managed and structured the influx of Africans to the urban areas (Botha & Kaplinsky, 1989: 5-10; Giliomee & Schlemmer, 1985: 7; and Mabin in Swilling *et al.*, 1991: 35-43). To achieve this, in the late 1950s until 1984 (the era of Black Local Authorities), the State froze all housing development in African townships. As a result, a huge shortage of housing in the urban areas created the present backlog.

There are also other interrelated problems that need to be pointed out with regard to the issue of housing development and land provision in rural and urban areas, specifically in African townships. For example, the role of traditional leaders (in rural areas), civic organisations and local councils (in urban areas) has not been clarified.

This has led to confusion and mistrust among the stakeholders in the housing arena, as well as the residents who are the beneficiaries of housing development. This has been a wide complaint from the various Provincial Members of Executive Councils (MEC's) for housing (Leading Edge, 1996: 19). For example, they complained about the lack of clearly defined roles of all stakeholders and levels of participation in the housing delivery processes, as well as the lack of information to housing beneficiaries, and lack of empowerment, capacity, legitimacy for structures/institutions charged with the task of implementing housing development.

Mistrust, specifically regarding the distribution or allocation of housing to its intended beneficiaries, resulted. The above confusion needs to be addressed so that a co-operative relationship can be achieved among the stakeholders in co-ordinating sustainable and participatory development.

Another aspect is that it is likely that bureaucratic elements emanating from the organisational structures may lead to goal ambiguity and poor co-ordination between various government ministries in implementing housing and development policies. Furthermore, inadequate staffing or incompetent personnel in the public service, unethical behaviour of public officials, and violation of the public service code of conduct could undermine popular confidence in local government administration and decentralised development structures.

It is of importance for a study on urbanisation, housing problems and urban management to link the process of rural and urban development, if the root causes rather than the symptoms of the housing shortages in South Africa are to be addressed. Some of the interrelated problems faced by local authorities, urban planners and managers today are caused by the mistakes of successive governments who ignored the relationship between rural and urban development. For this reason, this study undertook to link rural development to urban problems of housing and other basic social infrastructural services.

1.2 STATEMENT OF THE RESEARCH PROBLEM

The study investigated how urbanisation-related government policies contributed to the present problems of housing and development in South Africa's urban/metropolitan centres and how the urban authorities, planners and managers implemented those policies in the past. The reason for this is that the present urban housing and developmental problems faced by the government are viewed as negative consequences of those policies. The study further found that rapid urbanisation (rural-urban migration) escalation in South Africa in general and Khayelitsha in particular, is a result of the lack of an integrated rural development programme meant to combat poverty and unemployment in rural areas. The aforesaid development programme is perceived as the alternative possible solution to the problems of rapid urbanisation, housing and development in South Africa's large cities.

1.3 HYPOTHESIS

Urbanisation-related government policies and management in the past caused housing and developmental problems in South Africa's urban/metropolitan areas in general and in Khayelitsha in particular. These include urban planning and management policies that dealt with rapid urbanisation.

1.3.1 Independent and Dependent Variables

Urban policies and management are independent variables; negative urbanisation results are regarded as intermediate variables; while the housing problem is regarded as a dependent variable. The impact of urban policies and management on urbanisation and housing provision in South Africa's urban/metropolitan areas is illustrated in Figure 1.1 (see p.9).

Rapid urbanisation poses challenges to urban planning and management. It makes demands on urban resources and land supply for the provision of adequate infrastructure, housing and related basic social services, and the creation of additional jobs for vagrants or unemployed youth. Unemployment is probably the most severe

problem the South African society is experiencing and it is conceivably the root cause of many other problems, such as abject poverty, inadequate resources for housing finance, high crime rates and frustration leading to violence. Due to problems regarding urban resource constraints, the large cities often show signs of inability to absorb new arrivals from rural poverty-stricken areas. Consequently, urban centres are experiencing, to some extent, an increase in "squatting and land invasion" as alternative shelter for these desperately poor people. The above problems characterise the nature of housing and development in Khayelitsha, which is currently dominated by shacks.

1.4 PURPOSE, METHODOLOGY AND SOURCES OF DATA

As stated, one of the major factors in creating housing problems is escalating migration to the large cities in general and Khayelitsha in particular. To avert this problem, appropriate control over migration could be implemented through emphasis on rural development, employment-generating programmes and the providing of basic services, needs and adequate facilities for rural poor people. Another control mechanism is through closing income gaps or correcting imbalances between rural and urban people, and improvement of the social and economic conditions of rural life.

The purpose of this study is both descriptive and explanatory. It gives a historical description of the relationship between variables (urbanisation and housing problems); it also gives causal explanations of urban problems (Mouton and Marais, 1990:43-8). The study is further aimed at examining the housing problems caused by rapid urbanisation (rural-urban migration). It is also aimed at examining constraints on the implementation of housing and development policies (e.g. housing policy in terms of RDP) within the organisation-environmental framework, with special reference to Khayelitsha. It seeks to highlight ways in which political, social, economical and institutional factors influence the implementation process of development in South Africa. Moreover, it seeks to obtain the most viable, effective and sustainable methods of implementing an integrated housing development programme that could

inculcate community empowerment and capacity building of people and their local institutions of governance.

The research is both inductive (the development of hypotheses) and deductive (hypotheses testing) (Huysamen, 1994:165). Due to the descriptive and explanatory nature of the study, survey questionnaires as a quantitative method, and a literature study, in-depth interviews and participatory observation as qualitative methods were used to collect relevant data. The reason for using participatory observation is because the researcher, as a resident, understands the context and circumstances of the living conditions of the people of Khayelitsha (Huysamen, 1994:169 and Bless & Higson-Smith, 1995:43). Due to the fact that the researcher is a resident in the area (participant observer), the study can be viewed as not only objective, but also subjective, meaning that the objectivity is seen as the inter-subjectivity predisposition of an insider (Garbers, 1996:279). It further gives contextual explanations by means of comparative case studies (Tanzania and Zimbabwe) of historical-comparative analysis (Mouton and Marais, 1990:51). The study is aimed at analysing the case studies in order to draw lessons from experiences learned by other countries in addressing housing and developmental problems.

Sources of data are both primary and secondary. Primary data include government documents, circulars, and speeches of political leaders (e.g. housing ministers). Other sources of primary data include questionnaires and open-ended unstructured interviewing (informal conversation), because of the low level of education in Khayelitsha. Secondary sources include books and journal articles. One might add the "third" source, that is, the researcher's own experiences gained during the years of employment or academic studies in various learning institutions and participatory observation of the development and democratisation process elsewhere. Development is in many respects an empirical issue, i.e. collection of data, the absorption of information about people, their situations and their environment, perceptions of landless, homeless and jobless people, their problems and demands, however, this is done through conducting research.

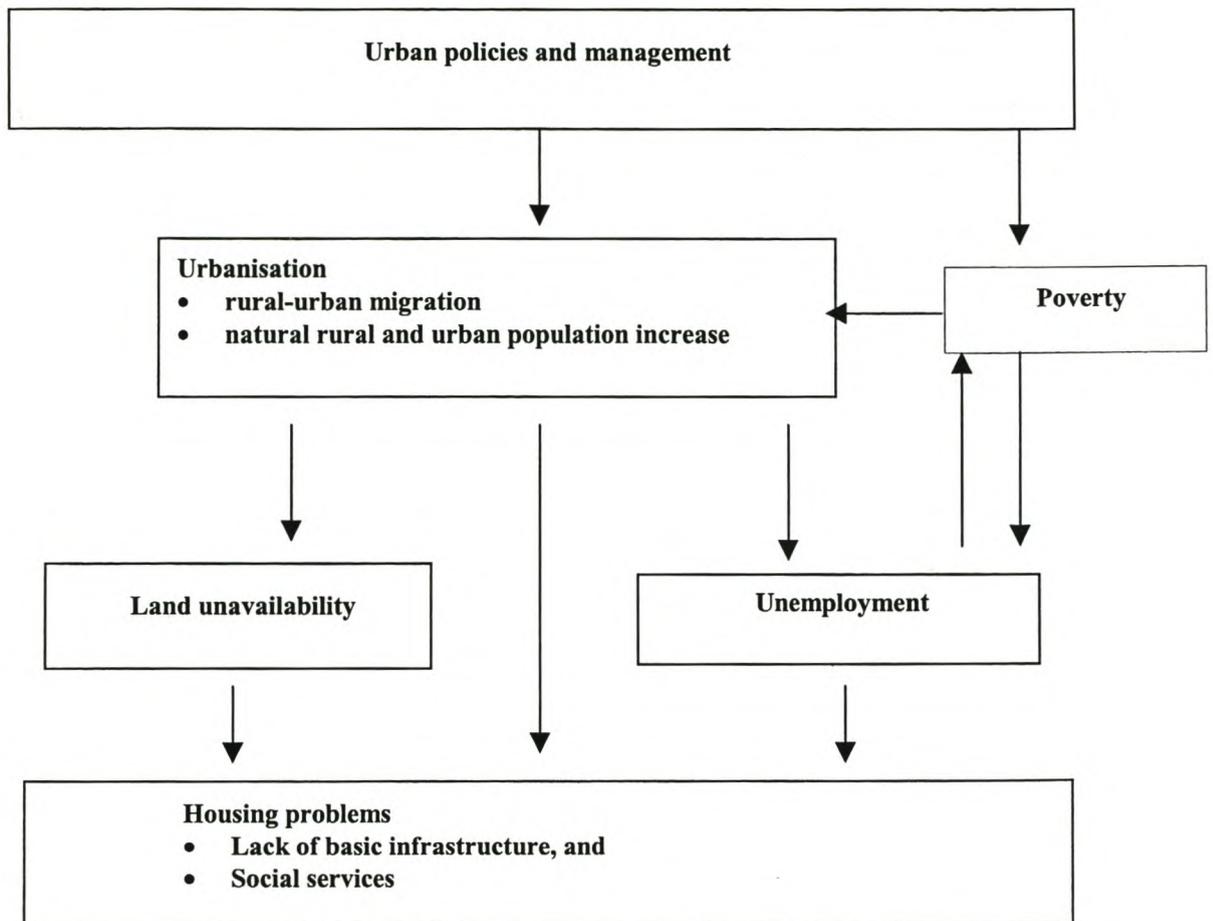


Figure 1.1: The dynamics of urbanisation as a process

1.5 LIMITATION OF THE STUDY

Lack of resources: The lack of financial resources placed limitations on the scope and scale of this study to the extent that the researcher could not undertake a more comprehensive review of housing conditions in Khayelitsha.

Legitimacy or recognition problem: The researcher could not have face-to-face interaction with the respondents in certain government ministries, due to the problem of recognition. The open-ended questions had to be faxed and answered in the absence of a researcher. This made it difficult for the researcher to probe for further clarification.

The study covers the period up to December 1997. Another limitation was that, by the time of completion of the study, the process of democratisation and integration of former Black Local Authorities was still at the beginning. Therefore it was too early to examine the institutional capacity of the newly-elected local government councils, particularly the Tygerberg Substructure under which Khayelitsha falls.

1.6 DELIMITATION OF KEY CONCEPTS

It is necessary to start the discussion by defining or clarifying the key concepts used in this study so as to avoid misunderstanding or misinterpretation. The following key concepts are used in the study:

1.6.1 Urban Policies

Urban policies are policies that regulate urban development through spatial planning, managing urbanisation in a justly and orderly manner for economic development, housing development and environmental management.

In the context of this study, urban policies were used in the past contrary to the above, to serve the interests of a certain section of the population through the Group Areas Act, forced removals and influx control.

1.6.2 Management

Management is defined by its functions. According to Henry Fayol there are five management functions - planning, organising, commanding, co-ordinating and controlling (Williams *et al.*, 1989: 4 & 14-5). These management functions are illustrated in Figure 1.2 (see p. 9).

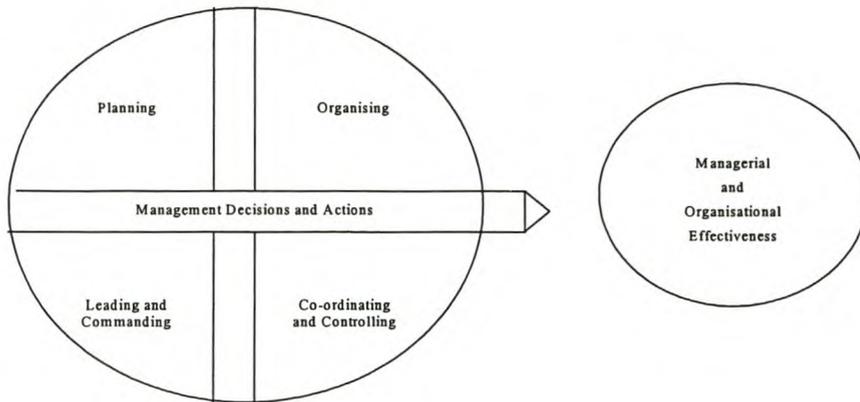


Figure 1.2: The functions of management

Management is the process of utilising an organisation's resources to achieve specific objectives through the functions of planning, organising, leading and controlling. It is a process designed to achieve objectives through the use of resources (Williams *et al.*, 1989:4).

Bryant and White (1982:127) defined management as a process that encompasses two elements, namely organising tasks to accomplish a goal and motivating people to perform these tasks.

1.6.2.1 Planning

Planning is the process by which an organisation's leaders decide on its objectives and how those objectives will be met. Effective planning involves:

- Decision-making regarding the strategies to achieve intended objectives.
- Allocation of resources.
- Scheduling to ensure timely completion of each component of different plans.
- Establishing the controls needed to ensure intended objectives are achieved (Williams *et al.*, 1989:14-5).

Planning is the determination of objectives and resources required to accomplish them before a programme is put into operation. Bryant and White (1982:233) define planning as a process which has both allocative and innovative aspects. The

allocative aspect involves the distribution of limited resources among competing users, while the innovative aspect is the producing of a structural change in a system of societal relations.

Planning is the process of identifying needs, objectives and resources for the course of action. It involves these questions: what must be done, when it must be done, and who must do it in order to reach a certain objective (Swanepoel, 1992: 79-84). It needs to spell out what action must be taken as it inevitably leads to action and how a certain action should take place. Planning is defined here in the context of physical, land-use, urban and regional, as well as town planning. Planning is a continuous process which involves decisions or choices about alternative ways of using available resources with the aim of achieving particular goals at some time in the future (Conyers and Hills, 1990:3).

1.6.2.2 Organising

The organising function is concerned with how work and responsibility will be divided. It consists in part of arranging work into units such as departments and divisions and deciding on the chain of command and superior-subordinate relationships. Organising also involves policy-making regarding the nature of these authority relationships. It involves decisions about the organisational structure or structure of positions. Making available the supportive resources, and devising work procedures and methods are also functions of organising.

Fox *et al.* (1991:72) define the organising function according to its logical processes as follows:

- organising involves the establishment of organisational objectives;
- formulating derivative objectives, policies and plans;
- identifying and classifying activities necessary to accomplish these objectives, policies and plans;
- grouping these activities in the light of human, financial and material resources available and the best way of using them;

- delegating to the head of each group the authority necessary to perform the activities;
- tying these groupings together horizontally and vertically, by means of authority relationships and information systems.

1.6.2.3 Leading

The leadership functions are alternately called leading, directing, commanding and motivating (Fox *et al.*, 1991:92-3 & Williams *et al.*, 1989: 16). The purpose of leading is to illicit behaviour that will support the effective achievement of an organisation's objectives. The effective achievement of the organisation's objectives depends on the leadership effectiveness and style. Democratic or personnel-centred leadership encourages active participation by sharing in decision-making. It maximises communication and co-operation. In essence leaders are responsible to guide (direct) and motivate subordinates to do work that achieves organisational objectives.

1.6.2.4 Controlling

The function of controlling is to ensure the proper execution of plans. Control consists of the following three steps:

- establishing standards of expectations;
- evaluating current performance in relation to expected standards;
- taking corrective action when standards are not met or in anticipation of their not being met (Williams *et al.*, 1989:17) .

The controlling function has to do with co-ordination and integration of activities, goals, objectives, vision, strategies and policies for the entire organisation. The various activities of the organisation have to be co-ordinated, controlled and evaluated to ensure that they are progressing as planned, and where there are significant deviations, the necessary corrective action is to be taken. Control and evaluation

measures are aimed at identifying trends and needs to enable corrective action (Williams *et al.*, 1989:16-7 and Fox *et al.*, 1991:118-22).

In the past the urban planners, managers and authorities applied these management functions defined above negatively against certain sections of the population, in particular Africans. The type of leadership and attitude displayed towards Africans was aimed at achieving the objectives of the apartheid government and its urban model (Group Areas pattern) of development through restrictive laws (see p.101 &102). There was also a “Coloured” Preferential Policy used against urban Africans (see Black Sash, unpublished booklet).

1.6.3 Urbanisation

Urbanisation is the increase in the population living in urban areas (Kok and Gelderblom, 1994:260). Both rural-urban migration and natural urban population growth cause urbanisation.

In demographic terms urbanisation refers to the process whereby people are located in places defined as urban, either by physically moving across borders into such areas or as a result of a reclassification of urban areas (Cilliers, 1989: 1). Urbanisation also has a socio-economic motive, for example, due to lack/availability of economic opportunities in such environments, the level of economic development has an influence on urbanisation.

1.6.4 Housing

Before a definition of housing is given, it is important to point out that there is no single definition of housing. This is evident in the definitions of housing given by Bourne (1981:14). He defined housing as a physical facility to its occupants, but which also consumes land and demands the provision of physical services such as water and sewerage, as well as social services. It is further defined as

- a social commodity, as an element in the social fabric of society. It is part of social relations and basic needs similar to education, food and health care. Housing is a central component in human daily lives and vitally important to all members of society, because it provides one of the basic needs – shelter;
- an economic commodity, which is traded or exchanged in a market and as an investment which returns equity to its inhabitants;
- a package or bundle of services - a view which recognises that the occupancy of housing involves the consumption of neighbourhood services (e.g. parks, schools), a location (i.e. accessibility to jobs and amenities) and the proximity of certain types of neighbours (a social environment);
- a sector of the economy, a component of fixed capital stock, a means of producing wealth, and a tool of the government in regulating economic growth.

Housing is the residential environment, neighbourhood, micro-district or environs of that structure including all necessary services, facilities, equipment and devices needed for the physical health and social well-being of the family and individual (Housing in South Africa, 1996:2).

1.6.5 Development

Bryant and White (1982:205) define development as a process of increasing people's capacity to determine their future, which means that people need to be included in the process - they need to participate.

Development, according to Burkey (1993: 38), is a complex process by which the members of a society increase their personal and institutional capacities to mobilise and manage resources in order to produce sustainable and justly-distributed improvements in their quality of life consistent with their own aspirations. Meaningful development is a process by which people's living conditions (housing and/or health) are improved by addressing their basic needs, aspirations and human

potentials. Burkey (1993: 38) maintain that...."the foundation of development is human resource development", that is, development starts with the people by giving them the necessary skills and knowledge to empower them to pursue development.

Development is a fundamental change in people's living conditions. It transforms the society socially, economically, politically, culturally and institutionally from the old social order to the new social order.

1.6.6 People-centred development

People-centred development is an approach to development that looks at the creative initiative of people (human potential) as the primary development resource and to the material and spiritual well-being as the end that the sustainable development process serves (Korten and Klauss, 1984:201). People gain control over their lives, including their access to resources of livelihood, and broaden their opportunities for creative individual initiative.

People-centred development is a people-driven process to determine their own destiny. People must stop to be regarded as the development "targets", rather they must be the change agents themselves because they are the people who know their own living conditions, knew what is best for them and what kind of solutions are appropriate for them. Therefore, they should champion the process of change by themselves, as Burkey (1993) argued.

1.6.7 Participatory development

Participatory development is a process of participation defined in the context of development. Therefore, it is defined here as an essential part of human growth, that is, the development of self-confidence, pride, initiative, creativity, responsibility and co-operation. Without development within the people themselves (human development), all efforts to alleviate poverty will be more difficult, if not impossible. Participation is the involvement of people in all processes of development. It has therefore no meaning unless the people involved have significant control over the

decisions concerning the organisation to which they belong, meaning that people have to take cognisance of different types of participation, i.e. mere symbolic or active and functional participation. It is therefore a process in which the poor people themselves become more aware of their own situation, of the socio-economic reality around them, of their real problems, the causes of these problems, and what measures they themselves can take to begin changing the situation. It is a means of articulating genuine needs and satisfying them through self-reliance and mass mobilisation (Burkey, 1993: 37, 56-7).

This is the reason why some theorists of development, like Paul (1987:2), termed participation community participation, which he defines as an active process by which beneficiary or client groups influence the direction and execution of a development project with a view to enhancing their well-being in terms of income, personal growth, self-reliance or other values they cherish. It is a means used to achieve development.

The lack of skills, knowledge and insight of poor people causes symbolic participation. The remedy to this problem is to empower them to enable them to deliberate effectively in the process. Empowerment means that people, especially poor people, are enabled to take more control over their lives, and secure a better livelihood with ownership and control of productive assets as one key element (Chambers, 1993:9).

Empowerment is an act of strengthening people's power to enable them to participate effectively in the process of planning, decision-making and development. It is a process of multi-skilling people to make meaningful contributions to the achievements of development.

The process whereby people learn to take charge of their own lives and solve their own problems, is the essence of development. A genuine commitment of people in all aspects of life improvement and at all levels of development is found in the theory of community development advocated by Swanepoel (1992: 2-10). It implies a

collective process of self-improvement, in other words, it leads to greater control by the poor over their own life situation.

1.7 INTEGRATION OF ANALYTICAL CONCEPTS

This study moves from the premise that the lack of rural development resulted in rural-urban migration to urban/metropolitan centres where the urbanisation-related policies of the past, and the manner in which they were managed, led to poor urban development and the present housing problems. There was a lack of people-centred and participatory development (absence of democracy). An integrated rural/urban development programme and decentralisation policy through intergovernmental (provincial) relations structure as well as interdepartmental co-ordinating structure therefore have to be considered to address root causes (i.e. rural poverty and unemployment) that resulted in the concentration of people in metropolitan areas and urban housing problems as shown in Figure 1.3 (see p.20).

1.8 THE STRUCTURE OF THE STUDY

The thesis is structured into six chapters. This first chapter is an introductory chapter, which gives a brief background of housing challenges facing the government. It gives a problem statement, hypothesis, purpose, methodology, limitations and definitions of key concepts used in the thesis.

Chapter 2 gives a brief review of housing literature in the context of development. It analyses urbanisation trends viewed as the main contributing factor to the housing problems in South Africa. It further looks at the social and economic aspects of housing in the context of an integrated development strategy. It gives a conceptualisation of the study variables.

Chapter 3 explores and analyses case studies of Tanzania (Dar es Salaam and Dodoma) and Zimbabwe (Harare) with the purpose of drawing lessons as to how these countries address the problem of rapid urbanisation and housing shortages.

Chapter 4 deals with housing and development in South Africa in general, and Khayelitsha in particular. A comparison is drawn between South Africa, Tanzania and Zimbabwe.

Chapter 5 deals with analysis and interpretation of data collected (research hypothesis testing). It provides a conclusion of the hypothesis. Future prospects towards solving housing and related developmental problems in Khayelitsha are also be explored.

Chapter 6 examines government's efforts in attempting to solve the housing and land availability problems through the implementing of land reform programmes and housing financial frameworks. Future problems of housing and lack of land are explored to address rapid urbanisation (large-scale rural-urban migration). The chapter further examines the implementation of housing subsidy schemes and institutions assigned with this task. In this respect, the government's progress in housing delivery is analysed and discussed. The chapter also looks at the South African economic context and discusses the environmental factors that have an influence on the processes of implementation of housing and development policies. These factors are examined in the belief that a stable environment is the basis for successful implementation of development programmes.

Finally, chapter 7 gives a summary and conclusion of the paper. It provides possible solutions to the problem in the form of recommendations.

1.9 CONCLUSION

This chapter set out by discussing the issues relating to the housing problems in urban/metropolitan areas. It described the historical events of housing and development in South Africa's large cities and, for instance, looked at issues such as land ownership, urbanisation and housing development in the past regulated by apartheid laws. The aim was to paint the picture of where we are coming from, where we are and where we are heading in meeting the new challenges of housing and development.

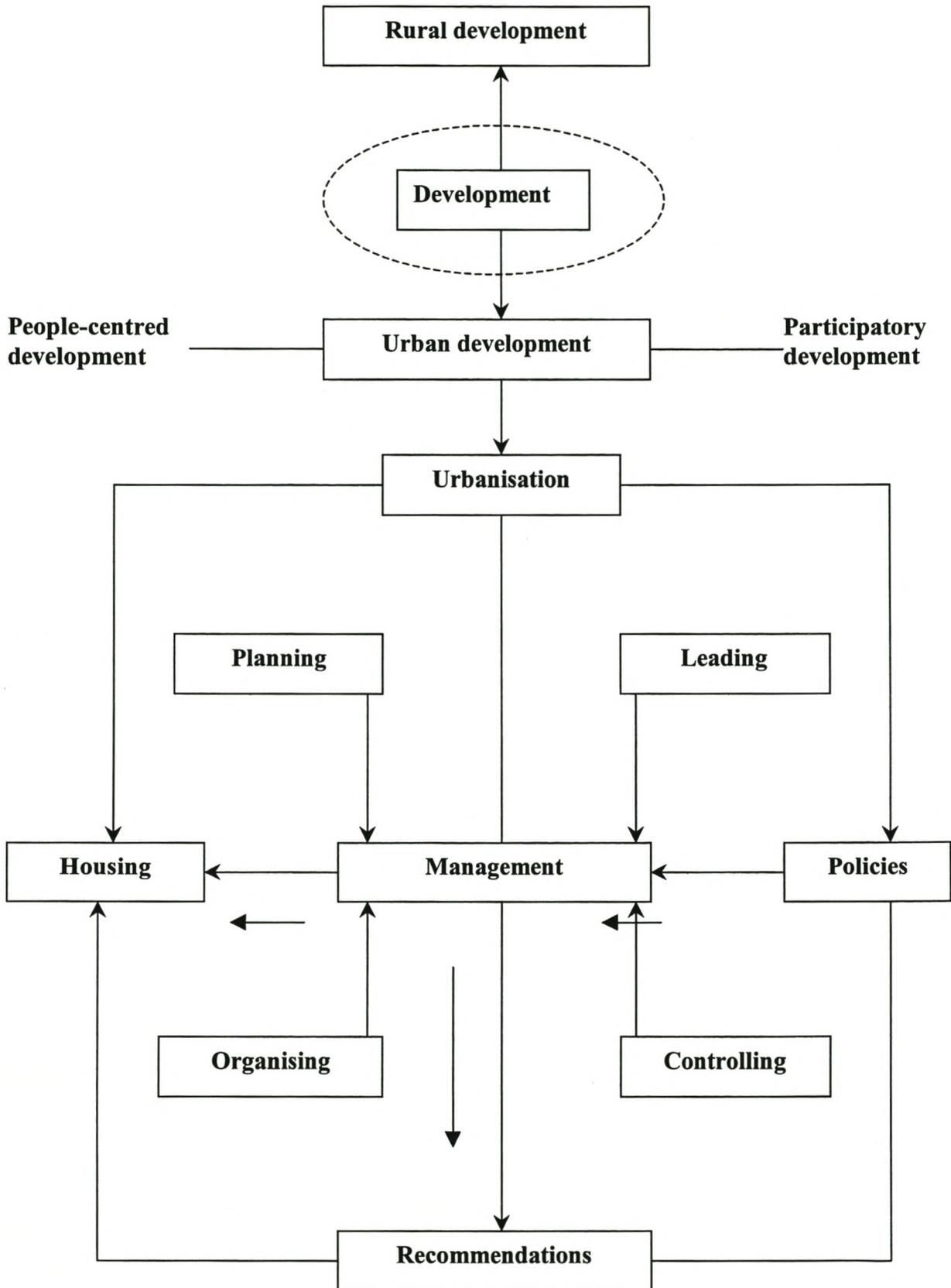


Figure 1.3: Integration of analytical concepts

It was argued that historical events produced the current predicaments regarding housing and development in general. The gross shortage of housing and lack of development in South Africa, specifically where the Africans live, have to be understood in historical context. For example, apartheid social engineering has impoverished, deprived and degraded the African population economically, socially and culturally. It has produced peculiar historical deformations in the rural areas and peri-urban African townships (e.g. Khayelitsha). In addition, the establishment of “bantustans” and spatial systems that allocated people to urban space according to colour, and the manner in which rural-urban migration was engineered and managed further contributed to the urban/metropolitan problems. This migration and spatial system resulted in poverty and social ill-effects in the rural population and have severely disadvantaged the urban poor.

It is not surprising that in the past, planners, managers and authorities excluded Africans in urban/metropolitan areas from taking an active role in deciding about issues that directly affect their lives. The styles of leadership and control measures were geared towards achieving the objectives of apartheid government and its urban model (Group Areas pattern) of development (see p.102). Coloured Preferential Labour Policy was also used against urban Africans in favour of “Coloured” people in all aspects of life (e.g. housing provision and employment). This is the reason why the housing development in the African townships was frozen.

The focus of the next chapter will place housing and development in societal context. It will also focus on housing in the social and economic development context. By so doing, it will be conceptualising housing in terms of a development perspective.

2. CONCEPTUALISATION OF VARIABLES

2.1 INTRODUCTION

CONCEPTUALISATION OF VARIABLES

- Urban policies & management
- Urbanisation and Urban Problems
- Housing
- Conclusion

OBJECTIVES

- Concepts explored
- Causality indicated

The increase in “squatting” and “land invasions”, especially around Alexandra township (e.g. East Bank) in Gauteng province, is reported almost daily on SABC news. This phenomenon, which is occurring in other areas too, is a visible negative consequence of rapid urbanisation. As stated in the previous chapter, this problem has to be understood in historical context. In this chapter, urban policies and how they were managed in the past are explored further. It discusses how rapid urbanisation affected and still affects housing provision and other basic social services in South Africa's metropolitan areas. It further discusses some causes of continuing rural-urban migration (“push-pull” factors) by linking it to threatening rural poverty and other development issues.

2.2 URBAN POLICIES AND MANAGEMENT IN SOUTH AFRICA

It has been indicated that rural-urban migration is a major contributing factor to rapid urbanisation in South Africa. It is of importance therefore to give a brief overview of the development of the rural-urban migration process and its root causes. Theron and Graaff (1987:4) argue that economic and political factors have far greater consequences for levels and rates of migration (causal factors). In this regard, Wilson (1972: 1-7); Bundy (1979: 29-32, 126-7) and Dewar *et al.* (1982: 22) give an overview of the rural-urban migration process in South Africa and its underlying “push-pull” factors. They trace it back to the beginning of industrialisation (1870) in South Africa. For instance, Bundy postulates that:

“.... In the decade between the end of the war and the passage of the 1913 Land Act, African peasant agriculture in the Eastern Cape (including the

former Transkei and Ciskei homelands) deteriorated further resulting in large-scale rural-urban migration. This process was caused by the diminution of Africans' lands by conquest and annexation, the creation of 'Reserves', the deterioration of these into eroded, overstocked and overcrowded rural ghettos that function as the supply source of migratory labour" (Bundy, 1979:1).

Effects of the above-mentioned political-economical factors brought about the collapse of "homeland" agriculture. Rural-urban migration became an unavoidable or inescapable necessity for migrant households to survive, since there was no alternative source of income. Dewar *et al.* (1982:22) postulate in this regard that "... a limited amount of land and an absence of investment has resulted in the creation of an impoverished and landless mass whose only chance of survival lies in the security of wage employment in urban areas".

In urban/metropolitan areas, African migrants were subjected to restrictive measures, e.g. forced removals and sometimes, deportations to "homelands" (Nash, 1976:53-60; and Theron and Graaff, 1987: 12). The restrictive measures changed in the early 1980s, possibly because of the political pressures exerted by the international community and domestic civil organisations for political change (Swilling *et al.*, 1991:viii-xii). This was evidenced by the recognition of trade union movements, introduction of the tri-cameral system (the incorporation of "Coloureds" and Indians in parliament) the Black Local Authorities Act, 1982 (Act 102 of 1982) which was established for Black Local Authorities (BLAs) to administer the affairs of the Africans living in urban areas, and the development of satellite cities, e.g. Khayelitsha, a labour dormitory township (Dewar & Watson, 1984:3-7; Van Rooyen, 1991:7-18 and Inlogov, 1993:15-17).

The inevitability of African urbanisation necessitated the National Party government to abolish Influx Control (the notorious Pass Laws) in mid-1986. Dr Flip Smit who

was then government advisor on urbanisation policy (Dewar & Watson, 1984:7-8) suggested this in 1984. The development of Khayelitsha, which was first announced in Parliament in March 1983, by Piet Koornhof, the then new Minister of Co-operation and Development (Seekings *et al.*, 1990:8), was the result of the new policy changes. Seekings *et al.* further describe the need for Khayelitsha as a matter that arose from the severe housing shortage for Africans in the Western Cape. They further postulate that this need was evidenced by the proliferation of squatting in the Crossroads and KTC areas. The apartheid government's initial intention was to move all African people "legally" in the Cape Town and Stellenbosch areas to a single 'controllable' township, i.e. Khayelitsha. The African townships of Langa, Gugulethu, Nyanga, Mfuleni and Khayamandi would then be handed over to "Coloured people. The "illegals" would be sorted out and sent to their "place of origin" or to another place decided by the government (Black Sash, unpublished booklet and Cole, 1987:92). This plan was fiercely resisted by the African population of Cape Town, who regarded it as another attempt to confine them to the periphery of Cape Town (see The Surplus Peoples Project unpublished booklet; Cole, 1987 and Harrison & McQueen, 1992). The government abandoned efforts to resettle "legal" residents of the above African townships and to repatriate "illegals" with the repeal of influx control regulation and adoption of a policy of 'orderly urbanisation'. This was as a result of realisation of inevitable urbanisation of the African population.

As indicated, the development of Khayelitsha has been chosen as a case for this study to assess and analyse the increasing problem of housing shortages in South Africa, in particular in urban/metropolitan African townships. Khayelitsha depicts the way "satellite" townships are rapidly growing through rural-urban migration. Like any other township in the so-called Third-World developing countries, Khayelitsha has its own urban poverty/development problems (e.g. "squatting", inadequate basic social and infrastructural services etc.). (The importance and relevance of Khayelitsha for this study will be shown more extensively in Chapter 4).

2.2.1 Rural-Urban Migration

The causal factors as described by Wilson (1972:1-7) and Dewar *et al.* (1982:3-8) and which underpin individual decisions to migrate, emphasise both “push” factors which are driving people from the land or rural areas and “pull” factors which attract them to the cities. These are the real dynamics which underline migration in South Africa, as Theron (1984) explains.

With regard to “urban pull”, the youth in particular see themselves as people who are caught up in what is termed the “urban trap”, which draws them away from rural areas to urban centres. This is what Gilbert and Gugler (1992:72) called the migrating to join the unemployed. “...Without hope and a sense of moving towards a better future – human beings become caught in a vicious cycle of frustration, apathy, despair and bitterness” (Nash, 1976:60). The reason behind this are problems of low levels of socio-economic development and a set of complex other factors (“rural trap”) which, due to its long persistence resulted in the inability of rural areas to contain their population. Other reasons are the unattractive quality of life in rural areas, persistent poverty, inadequate resources, underemployment and low income, isolation and marginalisation. This can also be found in the papers of Dewar and Watson (1984:11 & 1986:3-10) and Human Development Report (1997:5,15-23,45). As a result, the young rural people are attracted by the prospects of better houses, hospitals, schools, communications, consumer goods, recreation, social services, facilities or opportunities for work, relatively high incomes and career prospects.

There were opposing views regarding the possibility of the Olympic Games (2004) in the Western Cape. Some people argued that the Olympic Games would cost the South African government dearly, in other words, the government would be in debt if Cape Town won. Others argued that the Olympic Games would accelerate development and at the same time create employment. In addition, the economy in the Western Cape was anticipated to grow. For instance, the Cape Times (June 6, 1996:1) was quoted as saying “R30 billion boost for economy”. It was said that the Games would provide 90 000 permanent jobs, 45 000 of them in the Western Cape, and 60% of the income gains would be to this province. At the same time this was

likely to create incentives for migration from all over the country, especially the impoverished provinces where the unemployment rate is high. In anticipating employment opportunities, an event such as the Olympic Games, instead of alleviating the problem of high unemployment, could add more problems such as urban growth, which consequently would exacerbate the problem of housing shortages and increase unemployment and other urban problems. It would also increase the challenges for urban planners, managers and authorities in accommodating new migrants in their development programmes and public resource constraints.

Legislative measures introduced in the past had a detrimental effect on rural populations. Consequently, rural-urban migration occurred on a large scale. Many studies confirmed that the migrant labour system in South Africa has had a profound negative effect. For example, rural poverty, deteriorating agricultural production, underemployment, low income and many other factors that have caused social ill-effects on the rural population (Dewar & Watson, 1984:16-20; Giliomee & Schlemmer, 1985:22-3; and Wilson & Ramphela, 1989:4-5).

As stated throughout, rural poverty has a direct bearing on this study. According to World Bank/SALDRU (1995: 11), rural areas have a large burden of poverty, much higher poverty rates than urban/metropolitan areas. To cite an example, Eastern Cape and Northern Province have by far the highest poverty rates (78% and 77% respectively), while the Western Cape has 23%. The findings show that 75% of South Africa's poor live in rural areas, concentrated in the former "homelands". The poorest former "homeland" is the Transkei with a poverty rate of over 92%, while Ciskei has a poverty rate of 73%. (Further discussion regarding the findings of the World Bank/SALDRU research follows in Chapter 4).

It is relevant to mention some causal relations of poverty, called the vicious circle of poverty that significantly contribute to rural-urban migration. Rural poverty is defined in terms of the inability of an individual or a village to satisfactorily meet its basic needs. In rural areas, poverty can be defined to some extent as absolute poverty in the sense that there are still many villages in South Africa which do not have access

to piped (safe) drinking water, modern sanitation, electricity, adequate food and health facilities. In urban/metropolitan areas poverty can be defined as relative poverty, because the situation is not the same as in rural areas. There are facilities, although not adequate, to combat poverty in the urban/metropolitan areas. Therefore, relative poverty is the condition in which basic needs are met, but where there is an inability to meet perceived needs and desires in addition to basic needs (Burkey, 1993:3-4). The degree of poverty is indicated by the absence of minimal basic human requirements for life as well as essential services in the rural areas (Human Development Report, 1997:13-4). The basic requirements for a family are considered to be adequate food, safe drinking water, suitable shelter and clothing, as well as basic household equipment. The essential services are considered to be sanitation, public transport, health and education facilities (Burkey, 1993:5).

A large part of the basic human requirements and essential services mentioned above is absent in South Africa's rural areas. Hence, there are "rural push" and "urban pull" factors described by Theron (1984) and Theron and Graaff (1987) which cause large scale rural-urban migration. Rural households, because of the migrant labour system and both Land Acts of 1913 and 1936 that impoverished African families, were left with no option but to depend on migrant remittances for survival. As a result they were caught up in what Chambers (1993:111-4) calls a "deprivation trap" or vicious circle of poverty (Figure 2.1). He describes this trap (or clusters of disadvantage) as something that gives possible causal relations, which in their negative forms interlock like a web to trap people in their deprivation.

The "deprivation trap" is variously described as the vicious circle of poverty, the syndrome of poverty and the poverty trap. Chambers (1993:112-4) and Swanepoel and De Beer (1996: 12-7) summarise these five clusters of disadvantage as follows:

- Poverty is a strong determinant of the others. Poverty contributes to physical weakness through lack of food and malnutrition, leading to low immune response to infections; to isolation because of the lack of telephones/radios or televisions to get information, and distance from job opportunities; to vulnerability through lack of funds to pay for health services, e.g. to cure disease such as tuberculosis; and to

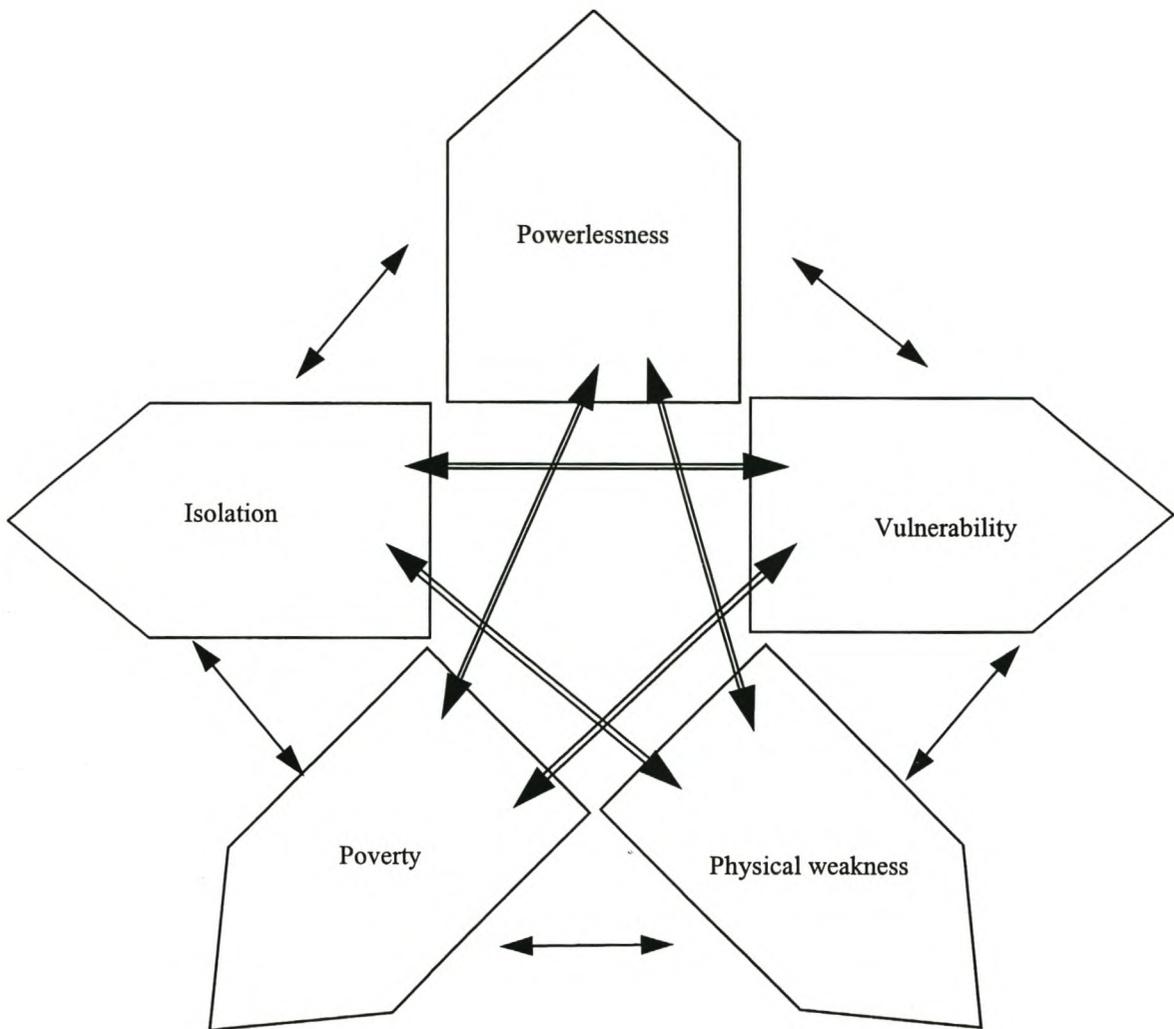


Figure 2.1: The deprivation trap

powerlessness because lack of wealth goes with low status - the poor have no voice or anything to bargain with.

- The physical weakness of a household contributes to poverty in several ways, e.g. through the low productivity of weak labour; through an inability to work longer hours, or weakening of labour through sickness.
- Isolation means lack of contact with the outside world. This is caused by the lack of education, remoteness, and by being out of contact. Illiterates cannot read information of economic value, and find it difficult to obtain loans. Remote households may have a high level of migration of the able-bodied to towns or to

other better-off rural areas. This is what is happening right now in South Africa. Rural young people are migrating to urban areas because their remote villages are being marginalised in terms of development facilities. The Cape African Teachers Union (CATU) and South African Democratic Teachers Union (SADTU) have been complaining that rural teachers do not get housing subsidies, which their colleagues in the urban areas are receiving from the government (Mhlobo Wenene, interview radio programme, 12/08/96). This is creating disincentives for them to work in rural areas. Another aspect of isolation is found in housing policy. There is no explicit policy strategy for rural housing. This was also experienced in other African countries like Tanzania and Zimbabwe. After independence the Tanzanian government attempted to finance rural housing, but due to public and private financial constraints this was limited to constructive non-intervention. This caused the government to say "...rural housing should be left alone to take care of itself" (Maganga & Ndjovu, 1982:9). In Zimbabwe, there was no official concern and therefore no policy on rural housing (Chenga in Zinyama *et al.*, 1993: 47) (These aspects will be explored further in Chapter 3).

- Vulnerability relates to poverty through exploitation, and to physical weaknesses because of prolonged and repeated illness. Lower quality of life places the poor in a vulnerable position with regard to access to resources.
- Finally, powerlessness contributes to poverty in many ways - through exploitation by the powerful. It limits access to resources. Powerlessness also makes the poor more vulnerable to sudden demands for the repayment of loans, to the threat of prosecution and fine or imprisonment, or to demands for a bribe in a dispute (Chambers, 1993:112-4 and Swanepoel & De Beer, 1996: 12-7).

These five clusters of disadvantage comprise what has been described as a vicious circle of poverty. They impact on each other to cause detrimental social effects on desperately poor people. The above factors, in turn, result in what is termed "urban trap" or "push-pull factors" by other authors who write about urbanisation and rural development (Dewar & Watson 1982:3-8; Chambers, 1993: 7,111-4; Swanepoel & De Beer, 1996: 12-7 and World Development Report, 1995:25,30), because the socio-economic conditions in rural areas fundamentally underpin the reasons for rural-urban

migration. As Dewar and Watson (1984:11) stated, the high levels of unemployment and general poverty in the former so-called homelands generate incentives for the rural population to migrate, since there is no alternative form of livelihood. To this end, they even suggest that the main objectives of development policies in rural areas should be to increase rural incomes and general levels of welfare through focusing mainly on:

- more comprehensive rural development approaches aimed at providing viable incomes for all rural dwellers;
- basic infrastructural development;
- land reform programmes aimed at transforming agriculture; and
- to promote agro-industries for employment-generating opportunities.

(Dewar & Watson, 1986:12-3 and Theron & Graaff, 1987:39).

The above-mentioned objectives have to be considered positively with the aim to remove excess pressure from limited resources in urban areas. This is possible only if the causal factors of rural-urban migration (i.e. "push-pull" factors or "urban trap") are identified and addressed through rural development policies.

Sometimes, urbanisation takes the form of oscillating migration - a temporary urbanisation often driven by economic motives, that is, the "urban pull" to seek employment opportunities, high incomes, marketable skills or access to productive resources in general, or it takes the form of permanent urbanisation. In this respect, Gilbert and Gugler (1992:67) assert that most people move for economic reasons and when they are asked why they moved, they usually cite the better prospects in the urban economy as their chief reason. Temporary urbanisation usually takes place when the migrants maintain their family- and rural-based social ties (act as temporary sojourners) by occasionally visiting their rural families who are mostly dependent on remittances for their survival (Gugler, 1996:5-7). The visits usually occur during holidays, mostly at the end of the year. Permanent urbanisation is often caused by social motives, namely to come to the cities for better social services, hospitals, education, houses and other sports and community facilities. This "urban trap", in turn, results in a mounting number of urban problems sometimes caused by rural-

urban migration, which eventually leads to urban growth. It also needs to be stated, however, that rapid urbanisation is not only caused by rural-urban migration, but by natural urban population growth as Cilliers (1989) indicated.

2.2.2 Natural Urban Population Growth

Population growth rate is characterised by high birth (fertility) rates. In this respect, Barker (1992: 32) argues that too high population growth rates place great demands on social services such as education, health and housing. Due to the lack of education (including health and sex education) and poor, or lack of, health measures such as water and sanitation systems and better medical care (e.g. primary health care), this problem leads to teenage pregnancy (reported in Hlala Ethembeni Women's Programme, Radio Mhlobo Wenene, 01/07/96) and high mortality rates. In the long run, due to social and economic problems teenage pregnancy and high birth rates may lead to an increasing number of "street kids" and homeless adults (street people of all ages), which is an urban phenomenon of grave concern (Cape Argus, 24 May 1996:19).

The various political parties that contested the elections for local government in the Western Cape (specifically in the Cape Metropole) in May 1996 described the phenomenon of street people or children as symptomatic of the collapse of family life and inadequate support services. The Democratic Party in its comments, suggested that the increasing number of "street kids" must be dealt with by both the departments of Welfare and Education, since truancy contributes in large part to increasing numbers of street children (Cape Argus, 24 May 1996:19). However, this phenomenon is caused by socio-economic problems such as poverty, landlessness, "squatters" or lack of proper homes, low standard of living and high levels of urban unemployment. In this regard, Giliomee and Schlemmer (1985:16) argue that rural poverty generates increased migration to the towns, and this, in the absence of a rapid rate of job creation in the urban areas, results in growing urban unemployment levels. The Pan Africanist Congress argued that the shortage of land is a major contributing factor in the phenomenon of homeless adults (street people). For example, 78% of the

land in this country is in the hands of minority groups; should land be redistributed, more housing will be available.

Urbanisation has two effects on fertility and mortality. Dewar and Watson (1982:5) and the Race Relations Survey (1994/95:14) point out that the process of urbanisation itself creates conditions influencing fertility and mortality patterns and thus growth rates. For example, an increase in fertility and mortality owing to the disintegration of social structures among recent urban migrants, and squalid physical conditions are resulting from a backlog in the provision of basic services. To this end, Dewar *et al.* (1982:5-6) and Barker (1992:31-3) suggest that improved medical services or health measures, water and sanitation systems may reduce mortality rates. Equally important is that improved standards of living may also reduce the birth (fertility) rates. They also suggested the use of health education (family planning and birth control techniques, but not in the form of abortion).

The need for small families usually stated in housing policy for occupancy standards might reduce family sizes. With regard to the improved standards of living, Dewar *et al.* (1982) argue that a change in lifestyle brought about by urban living, is a change which creates a desire for smaller families, because large numbers negatively affect the economic position of the family, since children are a drain on family income. This initiates a fall in birth rates through family planning.

The researcher will now examine the visible problems caused by what has been outlined above. This section will focus more directly on the relationship between urbanisation and urban problems. This is relevant for understanding the creation of urban housing and developmental problems.

2.3 URBANISATION AND URBAN PROBLEMS

Although urbanisation is viewed as a process inevitably due to industrialisation and economic development in urban centres and the deterioration of rural areas, it has both positive and negative characteristics or consequences. Urbanisation is viewed as positive when it results in modernisation and socio-economic development (Dewar &

Watson, 1984:19-20 & 1986:14). The positive consequences of urbanisation are indicated by the correlation that exists between a country's level of urbanisation and the level of its economic development, which in the long run, if urbanisation is properly managed, contributes significantly to economic growth. Those who encouraged urbanisation do not always acknowledge the negative consequences of urbanisation. These consequences become urban problems and challenges.

It has been pointed out that urbanisation is caused by both rural-urban migration and natural urban population increases. This study emphasises the former aspect, which largely contributes to urban problems and inability of the cities to absorb newcomers from the impoverished and underdeveloped rural areas. It is self-evident that migration does exacerbate urban problems and challenges. Rural-urban migration results, *inter alia*, in an increase in numbers and an excess demand for urban services such as land for housing and other basic infrastructure. Insufficient supply or inability to cope because of limited urban resources, lack of provision of low-income housing and urban services and employment-generating capacity, causes excess demand. A shortage of housing is one of the most serious socio-economic problems in South Africa. The relentless drift of people from impoverished rural areas, and an explosive population growth have all contributed to this situation. Rapid urbanisation has a significant and sometimes tragic impact on all kinds of urban services, from transport through education to health and hygiene, and on quality of life generally. These necessitate the State to make land available for housing development and provide basic infrastructure and social services. The inadequacy or lack of the above basic resources and services, including housing, results in appallingly large numbers of homeless people who perceive "land invasion" as the only affordable and viable alternative to their problem. Generally, the emergence of spontaneous "squatter" settlements in urban centres is a direct consequence of housing shortages.

2.4 HOUSING

One of the most striking features of large-scale urbanisation is inadequate urban housing. As a result, it has put pressure on urban authorities, planners and managers to accommodate the problem. Socio-economic conditions, particularly in peri-urban

areas where the former disenfranchised live, only exacerbate the problem of housing. For example, the Race Relations Survey (1994/95:507) describes housing shortages in the African sector of the population as a serious problem that accounts for 93% of the estimated backlog. In December 1996 the government reported that the estimate of South Africa's housing backlog was more than 2,5 million units. Urbanisation, specifically caused by rural-urban migration, exceeds the ability of urban areas to absorb it. Ms Sankie Mthembi-Mahanyele pointed out that the cities are growing at an estimated rate of 300 000 households a year, with an average of five people per household (South Africa Survey, 1996/97:756). This migration has been accompanied by, and has exacerbated, urban unemployment (Dewar *et al.*, 1982:10). It is important to link this to the high levels of urban unemployment and abject poverty, because it is central to the question of affordable housing. Symptoms of the problem are an increasing number of homeless, "squatters" or spontaneous informal settlements in the urban "cores". It is also acknowledged that housing is an essential factor in determining the quality of life, the stability of communities and the health of national economies. Thus, the fundamental housing issue remains the provision of adequate shelter at affordable prices in suitable locations for all sectors of the population.

This section of the chapter attempts to discuss briefly the role of housing for the community in the context of development. The next section will endeavour to analyse contemporary literature on housing in the context of integrated development planning and management.

2.4.1 Housing in the Context of Development

Every country meets the test on sustainable development in the way it manages to address the basic needs of its society. The current government development programme - the Reconstruction and Development Programme (RDP) - is an attempt to address these challenges. The RDP can be viewed as a "Basic Needs Approach" which is ideologically neutral. The "Basic Needs Approach" in practice concentrates on fostering development through satisfying basic needs - basic education, nutrition, health, sanitation, water supply, and housing and related services. The RDP is a

development programme that is meant to address primarily the human basic needs of the South African disadvantaged population in particular. This is in agreement with the opinion expressed by Wilber (1986:30), namely that "...development must begin by identifying human needs". The object of development is to raise the standard of living of the masses of the people and to provide all human beings with the opportunity to develop their potential. In this respect, it has to be stressed that housing is a fundamental basic need inextricably interwoven with other development issues.

Max-Neef (1991) argued that the best development process would be that which allows for the greatest improvement in people's quality of life. Quality of life in turn depends on the abilities of people to adequately satisfy their fundamental human needs (Max-Neef, 1991:16). This underlined the more general argument of Kok and Gelderblom (1994) citing Muller (1987) and Ardington (1989), that the quality of life of the people is often measured in terms of access to certain basic needs (Kok & Gelderblom, 1994:27-9). For Ardington's perspective, basic needs are usually considered to include nutrition, clothing, housing, domestic water, sanitation, fuel, education, health, transport, labour participation, income or material standard of living and leisure (Maslow, 1943: 370-96; Ardington, 1989: 6-7; and Kok & Gelderblom, 1994:27-9). In this respect, Muller (1987:24-5) argues that, although there is some disagreement over the needs to be included in the basic needs basket, any list must include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, and certain household equipment and furniture as well as essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport, and health and education facilities. To these is added worthwhile employment, which is both a basic need itself and a means to satisfying others (Ghai, 1977:9 and Kok & Gelderblom, 1994:28). In this regard, unemployment, as classified by Max-Neef (1991:34), can be viewed as a synergetic satisfier, which satisfies a given need, simultaneously stimulating and contributing to the fulfilment of other needs. The concept of basic needs was also captured by Burkey (1993:3-5) when he addressed the problem of poverty. According to Kok and Gelderblom (1994:36) and Max-Neef (1991:18), all needs are important and therefore

human poverty should be seen to occur when any fundamental need is not adequately satisfied.

There is no disagreement, *per se*, about basic needs. As Muller (1987) argues, the only thing one may notice is that writers on the basic needs concept add what they think should be included in the basic needs basket. For instance, some include both the material basic needs (economic goods) and non-material human needs (axiological needs). Max-Neef divides human basic needs into two categories, namely subsistence, protection, affection, understanding, participation, idleness, creation, identity and freedom as axiological needs, and needs for being, having, doing and interacting as existential needs (Max-Neef, 1991:32-3; Human Development Report, 1994:13-21; and Todaro, 1994:16-9). For the purpose of the study, this section does not intend to dwell further on the concept of basic needs. It is only discussed because of its importance and relevance to the process of housing provision and development including anti poverty programmes. (Poverty will receive further attention in Chapter 4).

This section intends to conceptualise the role of housing in society in the light of basic needs. First, it is important to explain what the term "housing" refers to, as was undertaken in the introductory chapter. The definitions of various writers have been given. As it has been defined, its most basic function relates to the provision of shelter, a place to live and protection from the elements. Housing is more than shelter. It is both a physical facility, a social artefact, an economic commodity exchanged in a market, a capital stock, a status symbol, and at times a political "hot potato", because of its sensitivity (Bourne, 1981:13-4). Housing is defined as a variety of processes through which habitable, stable and sustainable public and private residential environments are created for viable households and communities. This recognises that the environment within which a house is situated is as important as the house itself in satisfying the needs and requirements of the occupants (The White Paper on Housing, 1994:21). Housing is a multi-dimensional issue. This can be deduced from the various definitions given above and in Chapter 1.

In its broader context, housing is diverse and complex, and intimately interrelated with its socio-economic, political, and neighbourhood environments. The local neighbourhood implies its location that determines a level of accessibility to public services and workplaces described by Bourne (1981:1-15). Bourne described the subject of housing as so interwoven with the social and economic fabric of society that there is hardly any aspect of planning and management which is not directly or indirectly concerned with people and their dwellings.

As stated, housing is indeed a multi-dimensional issue involving a myriad of closely interrelated challenges. It is not just houses, it includes attention drawn to the residential area (its immediate surroundings) with its schools and crèches, shopping centres catering for daily needs, churches, parks, sports fields and recreational grounds, cinemas, clinics or health centres, cemeteries, rates offices, post offices, garages, community halls, libraries, transportation systems, water (including sanitation system) and electricity supply, telephone systems, flats for visitors or tourists, and fire stations etc. All are the full benefits of housing in relation to health and human comfort. The most important issue regarding housing, something which planners tend to forget, is that people are the main role players. In this regard, Bourne (1981:4) reminds us that "...we must not forget that housing is in the final analysis, for people". He further maintained that housing is a place for living and maintaining a social order, it is not simply a means of satisfaction for architects, builders or designers and planners. This, therefore, raises the question of community participation outlined in Chapter 1, in all processes of development - including planning, decision-making, implementation, monitoring and evaluation.

Addressing the housing issue is one of the major problems of society. It is bound to remain a political, sensitive issue. Housing is the product of the implementation of a specific housing policy, which is not ideologically neutral. It is also a normative issue and can be used for many ends. As such, housing remains a terrain for ideological, political and economic struggle. The previous successive apartheid governments demonstrated this. For example, Dewar *et al.* (1982:35); Giliomee and Schlemmer (1985:7) and Planact (1989:2) confirmed that housing previously was used by the state to control the urban community and workforce, and as an important component

of maintaining a system of cheap labour. Generally, it was used by the "corporate State" as a tool for political economy and the apartheid system.

It is broadly accepted that housing is one of the cornerstones of development. In this regard, Planact (1989:3) argues that housing should be regarded as a human right, not a privilege; the basic physical cornerstone of decent family life; and the basic unit of successful social relations in the community. It is not enough to say that South Africa is facing a housing problem or housing is at the heart of South Africa's social problems. We should devise strategies to solve the housing challenges in a humane and sustainable way.

The next section attempts to address the social conception of housing. It seeks to answer the question: what is the role of housing in our society?

2.4.2 Housing in Social Development Context

It is important that housing policies clearly state the role it plays in society, i.e. whether housing is an economic commodity to be bought and sold for profit or a social commodity or service, like education, health care and other basic needs, as argued in RDP (1994:6-11 & 22-8) and The White Paper on Housing (1994:11-20). In this regard, different arguments have been advanced by social scientists or researchers who wrote about housing. Bourne (1981:14) in his definitions, argues that housing is both an economic and social commodity or service. He elaborated that each concept is applicable to particular aspects of housing and is relevant for specific purposes. He explains that housing is not entirely a social or collective commodity even in those socialist societies with the most centrally-planned and publicly-owned economies. How housing is allocated in any society depends on the systems of government taxation, land tenure, and financial controls within which housing has been and is currently produced. Housing is, in most cases, jointly produced and allocated by public and private mechanisms.

Bourne's second view is that housing is more of a social service, such as education, health care and other basic services. Other housing references support this view. For example, Planact (1989:3) argues that housing must be viewed as a social commodity that confers benefits to society over and above the individual's access to secure housing. However, this view regards the housing policy as one area of social policy, which argues that housing should be provided to all members of society as a social service.

In some circles, the view of regarding housing as an economic commodity is criticised as exploitative or one of the major causes of housing price escalation/ inflation and deterioration in housing development (Bourne, 1981:69,119 and Botha & Kaplinsky, 1989:5-10). However, it is recognised that there are two types of housing allocations: the traditional private market and the public sector allocation. The former allocates households to housing on a competitive basis in terms of their ability to pay, in other words, in the private market, housing is produced for profit rather than to meet the needs of poor people. The latter allocates or distributes housing according to individual and collective needs.

Another critical argument about the private market is that the distribution of individual mortgage funds is spatially restricted in terms of income, with the oldest, the handicapped and poorest residents receiving the least, i.e. discrimination in terms of mortgage lending. When lending is done in poorer areas, the conditions are often harsh in terms of down-payment, rate of interest, or length of term demanded (Bourne, 1981:119). The 'radical' argument, dominated by Marxist and neo-Marxist groups, advanced the observation that "...monopoly concentration in land ownership, financing and housing development have allowed a small group of companies and institutions to extract excess profits". In addition to that the behaviour of financial institutions, and more generally of the capitalist system through which housing is provided, continues to ensure that housing is in short supply, expensive, and unevenly distributed, particularly with respect to low-income groups (Bourne, 1981:187).

As has been said, due to limited public funds the private sector has been widely recognised by the governments of developing countries to play a role in the provision

of housing. For example, in early 1989 the United Nations Commission for Human Settlements (HABITAT) endorsed a new Global Shelter Strategy which calls for adequate housing for all by the year 2000 and whose theme is the "enabling approach" (Chenga in Zinyama *et al.*, 1993:47). In this strategy it is described that governments should play an enabling and facilitating role for the involvement of the private sector and other stakeholders in the process.

Housing policy-makers have to consider the demands of a family - the fulfilment of social demands, which turn a house into a home. These demands are likely to be fulfilled only if housing can meet basic housing standards, such as the provision of adequate protection from the elements, ventilation, sunlight, sanitation and washing facilities (bathing, portable water and drainage to carry off waste-water) space for cooking and eating, sleeping arrangements which provide privacy for parents and children. This, however, are only ideals in the current South African context. At the moment, the majority of Africans live in houses which fall below the standard of what can be described as decent homes. As Botha and Kaplinsky (1989:10-1) note, this situation is worse in the "squatter camps" or informal settlement areas which are characterised by high population densities (overcrowding), poor sewerage/drainage system, poor lighting and health hazards.

In an attempt to conceptualise proper shelter, Botha and Kaplinsky (1989) make a distinction between a house and a home. They define a house as simply any form of shelter which may or may not have some of the basic necessities such as water, electricity, sewerage systems, etc., and a home as an expression of the political, economic and cultural values of society. In short, a home performs two sets of functions:

- i) Primary functions which are inherent to it and necessary to shape its own social identity including, among other things, physical protection, health care, reproductivity of the family, the comfort of the family, relations within the family and education of the children. A home takes into consideration spatial standards, the size of a family, the quality of the physical structure, durability,

accessibility, drainage/sewerage system, proper streets, distance from work, transport, schools, clinics and hospitals.

ii) Secondary functions involve its contribution as a social unit to the cultural, economic, social and ideological development of the society (Botha & Kaplinsky, 1989:11). These functions go beyond just the physical structure, which is an essential but an inadequate element of the social identity of a home, and they put the home within the framework of the broader society. Its ability to contribute to society at large depends on the extent to which the above requirements have been satisfied. As has been postulated, from the above basic standards of proper homes, or family housing as some social researchers call it, many benefits are likely to be accrued. Among the benefits is a strong deterrent to crime, social disorder, and drunkenness and delinquency, especially of juveniles. Family housing of basic standards improves health, including mental health. From a societal perspective, widespread conditions of inadequate housing contribute significantly to social instability. As Bourne (1981:2-3,14) postulates, housing impacts on almost all dimensions of an individual's life and on family life, i.e.

- on physical health (adequate space, protection from fire and attack);
- psychological or mental health by overcrowding and a lack of privacy;
- positive social interaction because of adequate privacy and space - an essential aspect of good family living;
- economic health costs of shelter represent family resources since housing is also defined as an economic commodity, an investment which returns equity to its owner. Family housing has an effect on education and learning because it provides a conducive climate for studying.

Wilson and Ramphela (1989:4-5,124) share Bourne's view that housing impacts on almost all dimensions of an individual's life and on family life. They argue that overcrowding, which is primarily caused by densely populated "squatter" settlements and inadequate housing, is something which has destructive social consequences of generally bad living conditions. The absence of privacy for married couples, the need

for space for children to play, the impossibility of having visitors, are all part of the pain explicitly felt by those enduring a dimension of poverty. Diseases such as tuberculosis (TB), malaria and many others are associated with overcrowding and poverty in the "squatter" or informal settlements (SABC News, 27/07/96). Wilson and Ramphela (1989) describe impoverished conditions and human degradation as profound social ill-effects, which undermine any reasonable and decent standard of human life. This raises the question of social development.

Social development refers to those investments and services carried out or provided by a community for the mutual benefit of the people of that community. These might include health services and facilities, education, water supplies, electricity, transport systems, communications, etc. (Burkey, 1993:37,39). As defined by Burkey, social development is a process of gradual change in which people increase their awareness of their own capabilities and common interests, and use this knowledge to analyse their needs; decide on solutions; organise themselves for co-operative efforts; and mobilise their own human, financial and natural resources to improve, establish and maintain their own social services and institutions within the context of their own culture and their own political system.

Social development, in the context of housing as basic need, means promoting the general welfare of the society through the provision of social services and proper homes that meet the basic standards of public health. The World Health Organisation (WHO) stressed the point that:

“A health-promoting home and urban environment embody the fundamental aspirations of the majority of people, where the quality of their lives depends on having a clean, decent, safe home in which to live and raise a family” (Novick, 1990: xv and Urban Foundation, 1993:96).

Social development deals with a deeper understanding of a given social phenomenon, on the one hand, and the societal expectations on the other hand. Thereafter, practical

approaches can be drawn from such an understanding of social realities of the masses for viable development of the capacity of people to manage their own affairs for sustainability.

Housing, in the context of social development, provides a desirable quality of life by raising living standards through improved social welfare services and social status (Bourne, 1981:2-3,14). In other words, from the use of housing a variety of services to the household flow - satisfaction, status, privacy, security and equity, as well as shelter. Housing is viewed as an important element in the national inheritance and source of personal wealth. Hence, as indicated, scholars or researchers in the study of housing view it as an economic commodity, social good and a public service.

Another important social aspect of housing is its requirements. Housing requirements of the population may be derived from the basic realities of a human being's existence as:

- a physical-biological being
- an individual person (personality)
- a social being

From these may be derived the basic housing needs, viz. shelter, security, comfort and convenience, locale for socialisation and self-expression aesthetics. According to Cilliers in Housing Symposium (August, 1975:17), the primary functions of the family in contemporary society are the socialisation of children and providing opportunities for self-expression. Cilliers emphasises aesthetic needs by maintaining that home and local neighbourhood should be ideally an expression of the meaning of life to the inhabitants.

It is widely accepted that housing conditions touch a fundamental aspect of life, namely public health standards, which determine the fitness of a dwelling unit for habitation. These standards include minimum plot sizes and physical features of housing. The basic point of this argument is that socially valid standards allow satisfactory family life, that is, a good family living and the promotion of mental

health, as Bourne (1981) explains. It is important to note, as Burkey (1993) argues, that social development is dependent for its success upon parallel and sufficient economic development to provide the resource base from which investment capital and operating funds are allocated.

2.4.3 Housing in Economic Development Context

Economic development has an influence on rapid urbanisation that leads to housing shortages and developmental problems in urban/metropolitan areas. Some of the reasons that motivate migration are economical (Cilliers, 1989: 1; Barker, 1992: 45 and Beukes, 1991: 257). Economic development is a process by which people through their own individual and/or joint efforts boost production for direct consumption and to have a surplus to sell for cash. This requires that people themselves analyse the problems, identify the causes, set their priorities and acquire new knowledge. It also requires them to organise themselves in order to co-ordinate and mobilise the effective application of all the factors of production at their disposal. This means that they must plan, implement and manage their economic activities (Burkey, 1993:36).

It is of importance to make a distinction between economic growth and economic development. In general, economic growth refers to increases in economic activity over time, i.e. increases in the volume or the quantity of economic activity. While in economic jargon, economic growth refers more specifically to the expansion of the production capacity of the economy, i.e. increases the economy's ability to produce goods and services (actual production) and not the production capacity of the economy. This is used as the basis for the concept of growth. In terms of the way it is calculated, the economic growth rate can be defined as the percentage change (increase or decrease) in the total quantity of goods and services produced in a particular time period, compared with a previous period (McCarthy *et al.*, 1994: 25).

On the other hand, economic development can be defined as the improvement of the standard of living of the population when the average income increases. This is usually accomplished by means of structural changes in the economy when resources

are moved from less productive to more productive uses, for example, agriculture to the manufacturing industry (McCarthy *et al.*, 1994:122).

Economic growth can be so concentrated or skewed that the prosperity of the broader community does not increase. Economic growth is necessary for economic development, but it is not a sufficient condition for development. Although economic development is usually equated to a rise in the income of the broader community, development economists are inclined to have a broader understanding of the concept development. For instance, Goulet in McCarthy *et al.* (1994:122-4) and Todaro (1994:16-9) identify three basic objectives or components of development:

- The provision of people's basic needs: the need for food, clothing, housing, hygiene and literacy is central to economic development. A basic objective of economic development is combating abject poverty and satisfying basic needs.
- The strive for economic development, for self-esteem, meaning that to be free or independent from servitude or from being dominated and dependant.
- Economic development is needed for the sake of freedom - freedom of ignorance, suffering and deprivation.

Measurements are used to determine whether economic development is taking place in a country or not. These include the following:

- The GNP per capita income.
- Social indicators such as the
 - infant mortality rate, which is usually expressed as the number of deaths per thousand live births of children under one year;
 - life expectancy at birth expressed in years; and
 - literacy rate, i.e. the percentage of the adult population able to read and write, are important indicators of the level of economic development.

These social indicators are normally calculated in a so-called Human Development Index (HDI), a composite of three basic factors:

- longevity, which is measured by life expectancy;

- knowledge, measured by a combination of adult literacy (two-thirds) and mean years of schooling (one-third); and
- standard of living, which is measured by purchasing power, based on real GDP per capita adjusted for the local cost of living in each country.

It is often believed that people in wealthy communities tend to live longer because of better nutrition, health services and proper accommodation. Wealthy people are also more likely to be literate than poor people. Economic development occurs if basic needs are better satisfied, a national and individual self-respect develops and the improvement in material prosperity increases the choices offered to individuals. No one is really free if there is no choice about one's own destiny. However, people who live in poverty, and are illiterate and without skills, are prisoners of their circumstances. As a result, people who are deprived are caught up in a cycle of poverty, a "deprivation trap" (Chambers, 1983:111-4), which develops its own momentum, as stated previously.

Barker (1992) believes that urbanisation is an integral part of economic development of a country. He asserts that during the prosperous period of economic development, workers are attracted from slower-growing areas to faster-growing areas, because of more employment opportunities and higher wages in the case of the latter areas.

This can be true in other countries, but is not the case in South Africa. For instance, South Africa can be described as a country faced with serious economic development problems (Beukes *et al.*, 1991:229-30). These problems manifest themselves in declining growth, declining per capita income and high unemployment. In the long run, urbanisation generates urban problems due to the resource constraints and inability of the urban centres to absorb the influx of people from the less-developed areas.

In the context of housing, ideally, economic development means substantial improvement in the material conditions of the poor, the homeless in particular. The jobless are also the beneficiaries, since housing is viewed as a large source of employment within the construction and building industries.

It may be worthwhile to demonstrate the interrelationship of housing issues with economic growth and development. The circle in Figure 2.2 (p.48) represents the economic aspects of housing development. This figure shows the interrelationship between housing and economic growth and development which affects issues such as the following:

- the income levels;
- interest rates;
- inflation rate;
- the period of amortisation of loans;
- the system of amortisation (either installation or annuity system); and
- investment on housing.

Due to the lack of economic growth, which is a necessary condition for economic development, there is little chance of job creation. Instead, the lack of economic growth (zero economic growth) causes problems, such as the closing down of companies or firms and retrenchment, which all result in a high unemployment rate. No bank or financial institution would want to lend a mortgage bond to an individual with no secure job or regular income, since it is not likely to get its repayment as an investment. Low income affects the disposable savings because little can be saved out of this income over a certain period. Little income also affects investment on housing, that is, the part of the income that can be spent on annual expenses for housing, such as debt repayment. An increase in interest rates naturally leads to an increase in the cost of mortgage repayments, which has a negative effect on the affordability of housing. As a result, there is housing price escalation/inflation, which will affect mostly the low-income groups. Generally, an increase in inflation rate affects the whole economy. Therefore, it is the duty of the State to stabilise prices to control inflation, i.e. restricting persistent increases in the general price level.

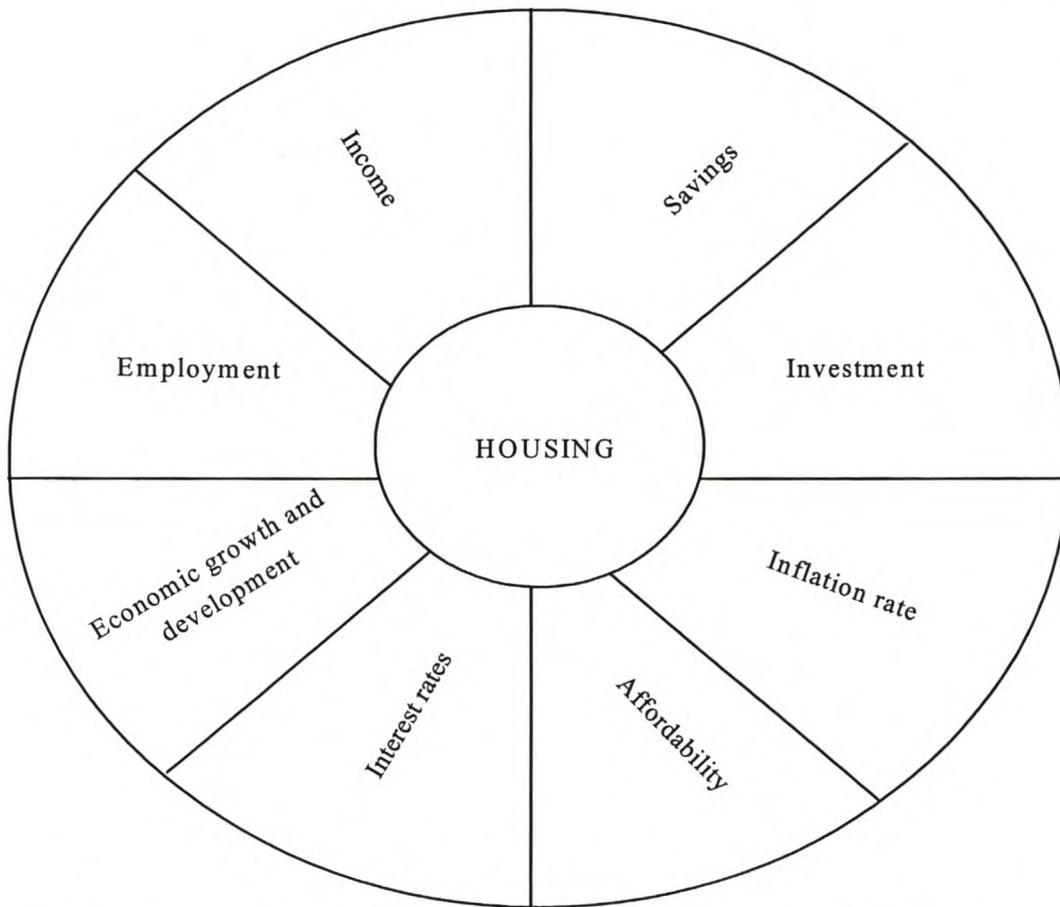


Figure 2.2: Interrelationship between housing, economic growth and development

In view of the economic aspects of housing development, it can be argued that there is a close relationship between the issues discussed above. All these issues affect housing affordability by the poor and supply a more justifiable reason for State intervention in the housing development, economy and development in general.

2.5 CONCLUSION

In this chapter, an attempt was made to conceptualise the variables of the study - management of urban policies, rapid negative urbanisation and housing problems. The chapter started off by discussing urbanisation-related policies and how they were managed in the past. It discussed the process of urbanisation in general and its relation to the development of the South African political economy. In this respect, the two components of urbanisation, rural-urban migration and natural urban

population growth were discussed. The root causes of rural-urban migration were outlined by examining the problems that led to the "push-pull" factors or "motivation factors".

In view of the above, urban problems such as high unemployment levels, lack of basic urban infrastructure and social service provision, land unavailability, overcrowding, urban housing shortages, and spontaneous "squatting" and "land invasions" have been perceived as the visible negative consequences of urbanisation. Moreover, the perceived lack of proper urban planning and the weak management systems, as well as the institutional development, have also been highlighted as the challenge facing the newly-elected urban local authorities.

In order to improve weak and fragmented urban management systems, institutional development has to be taken into consideration. Institutional development entails an integration of urban management systems and upgrading of the management systems of fledgling newly-elected local authorities. Urbanisation poses a challenge to urban management and planning. In order to face this challenge, training or empowerment (capacity building) of newly-elected local authorities and retraining of officials, particularly those who served in the previous government's structures, are required. This is not only required to face the challenge, but also for effectiveness and efficiency in delivery. In addition to training, institutional development could also be one of the solutions to the integration of former Black Local Authorities to reflect the new democratic values and moral norms of society as new local councils. At the time of writing this thesis, the Tygerberg Substructure was in the process of rationalising and integrating these councils.

To conceptualise housing problems, this chapter put housing in the context of development by discussing its socio-economic milieu. On the aspect of socio-economic development it has been pointed out that South Africa is described, among others, as a country faced with development problems such as widespread poverty, gross social inequality, structural features of rising unemployment levels, an increasing lack of infrastructure, housing and related basic social services. It is said that these development problems manifest themselves in declining growth, declining

per capita income and high unemployment. As a result of these economic development problems it would be difficult for any government to meet basic needs. The success of social development is dependent on the level of economic and human development. Economic development is to be construed mainly as an increase in the income of the poor, reduction of unemployment and improvement of education, health facilities and housing. In this respect, economic growth is a necessary condition, but not sufficient for economic development.

Housing plays an important role in mobilising resources by its contribution to GDP and job creation. It has the potential to generate savings and stimulate the financial sector. Generally, housing stimulates investment by the provision of infrastructure, land and building materials. It forms the basis for structural economic reform and empowerment of the poor. Housing, therefore, could be regarded as the leading sector in development. The aforesaid development problems require a multi-faceted development approach, properly planned, co-ordinated and integrated development programmes.

The current situation in South Africa regarding poverty, inequality and the general state of the economy is further discussed in Chapter 4. The first section of the next chapter provides an overall picture of various approaches applied by African governments in an attempt to solve the housing and urban problems in their cities. For instance, it is to be pointed out that the role of housing in national development policy in Africa has undergone three main phases. The next chapter attempts to explore and examine these phases of housing provision in general. In the second section to follow, it presents and analyses two case studies of Tanzania's cities (Dar es Salaam and Dodoma) and Zimbabwe city (Harare). It attempts to draw lessons regarding urbanisation and its perceived visible negative consequences, such as unemployment, housing shortages and general urban problems. In this chapter the three variables (independent, intermediate and dependent) were conceptualised and some causality indicated. In the next chapters these variables and their relationship will be analysed further by focusing on their linkages (causality) and pointing out how/where things were done wrong/correctly and whether it made a difference (i.e. positive/significant impact on society).

3 HOUSING CONDITIONS IN SELECTED AFRICAN COUNTRIES: A COMPARATIVE PERSPECTIVE

HOUSING CONDITIONS IN SELECTED AFRICAN COUNTRIES: A STUDY FOR COMPARATIVE PERSPECTIVE

- Tanzania
- Zimbabwe

OBJECTIVES

Linking the research issues to experiences in other countries.

3.1 INTRODUCTION

In the previous chapters, the study outlined the factors that contribute to the present housing problems in South Africa. In Chapter 1, housing issues such as residential land availability, housing finance system and rapid urbanisation were pointed out as of concern for solving housing problems. These housing issues, amongst others, form part of housing challenges. In Chapter 2, the study variables were explored and causal linkages pointed out. The root causes for negative urbanisation consequences and housing problems were identified, and discussed. The blame was put on the manner in which urban policies had been managed in the past. The approaches of the urban authorities, planners and managers towards Africans in the urban/metropolitan areas were cited.

On the basis of the analysis above, it was inferred that there might be similarities or commonalities in problems experienced by other African countries, in terms of addressing housing problems and development issues. This prompted the researcher to focus on a comparative perspective.

A comparative study of contemporary African societies in other developing countries was undertaken. One might ask, why these African countries? The reason is that the social and economic conditions existing in Advanced Capitalist Countries (ACCs) and those existing in Less-developed Countries (LDCs) are not the same, due to the historical patterns of their development. This view is confirmed by Hyden (1980 and 1983) quoted in Himmelstrand *et al.*, (1994:39). Thus it is imperative to compare the social and economic conditions that are comparable. Again, in this regard Hyden (1983), like Lenin (Himmelstrand *et al.*, 1994:104), argues that the best way to comprehend social reality is to grasp the conditions of a concrete situation. Therefore

an understanding of the concrete conditions of the socio-economic processes in a particular country is a precondition for assessing the failures or successes of the implementation of its development policies. This study attempts to explore strategies, methods and approaches applied in Dar es Salaam, Tanzania's major city, in Dodoma, its new capital, and in some cases of rural housing development in Ujamaa Villages. For Zimbabwe, the study undertakes a case study of Harare housing development. The analytical focus will be on land acquisition or availability, housing finance and urbanisation problems.

It was pointed out earlier that South Africa is a developing country with a dual economy. Therefore South Africa has to be viewed in the same context as developing countries in contemporary Africa, including the African case studies to be analysed.

TABLE 3.1: COMPARATIVE TABLE

TANZANIA	ZIMBABWE
<p>Historically: Tanzania became independent on 9 December 1961. The ruling party is Chama che Mapinduzi (CCM).</p> <p>Geographically: Total surface area is 945 square kilometres and 1 424 kilometres of coastline.</p> <p>Population size is 27,9 million (according to January 1995 estimate).</p> <p>Development Economically: GNP per capita (1993) was US\$100 and 0.306/148 HDI/World Bank rank (1992).</p>	<p>Zimbabwe became independent on 18 April 1980. The ruling party is Zimbabwean African National Union-Patriotic Front (ZANU-PF).</p> <p>Zimbabwe is a landlocked country with a total surface area of 390 759 square kilometres.</p> <p>Population size is 10,96 million (according to January 1995 estimate).</p> <p>GNP per capital (1993) was US\$560 and 0.474/121 HDI/World Bank rank (1992).</p>

Sources: New African Year Book (1995/96:422) and Hunter (1995/96:1255)

3.2 THE AFRICAN CONNECTION

Over the years economic and social development in Africa has been affected by a variety of factors such as natural disasters (droughts and floods), high inflation and escalating costs of service provision, sluggish economic growth, rising unemployment, rapid rural-urban migration, a foreign debt burden, a lack of physical infrastructure, and political and civil strife (Zinyama *et al.*, 1993:ix; Himmelstrand *et al.*, 1994: 218-25,280; and Du Toit and Jacobs, 1995:1). The countries in Southern Africa are no exception.

All of the factors mentioned could be attributed to colonialism, which caused peculiar historical deformations in African societies. Again South Africa is no exception. Kok and Gelderblom (1994:110-4) shared this view when they argued that South Africa is a country with a colonial past and a history of conquest, remnants of colonial policies, the past segregationist policies which linked political rights with specific geographical areas, and apartheid legislative measures until 1991. Because of this historical legacy South Africa is still confronted by developmental problems. The existing housing backlog in South Africa is also a historically-generated and self-imposed social development problem.

In many ways, the South African problems of urban housing shortages and urban planning and management are similar to those in other African cities, particularly in former British colonies with which it shares common historical origins and planning principles. This study of Tanzania and Zimbabwe provides a comparative case study of the development of cities in South Africa and the problems they face today.

It is argued that housing, as part of national development in a country, forms part of its development trend. The selection of **Tanzania and Zimbabwe** as case studies are based on the following reasons:

- Both countries were under British colonial rule, therefore it is believed that they share common historical origins. In addition, development commentators in Africa, especially neo-Marxists, argue that former colonial rulers often, to some extent, have an influence on shaping the development trend of their former colonies. This is also currently true regarding foreign aid agencies, e.g. IMF and World Bank (Stren in Amis & Lloyd (eds.), 1990:3,40-1; Cheru, 1989:1-19; and Hummelstrand *et al.*, 1994:38-41).
- Tanzania, on the one hand, provides an inspiring case study of villagization programmes in an attempt to solve its problems of development manifested during the colonial era. It is a country that has openly advocated socialism and self-reliance as her development strategy after the 1967 Arusha Declaration. In accordance with this Declaration, the Tanzanian government has adopted a utilitarian concept of land ownership and has declared that land belongs not to individuals but to society (Asiama in Amis and Lloyd (eds.), 1990:243 and Himmelstrand *et al.*, 1994:98-9).
- Zimbabwe, on the other hand, presents another inspiring case. In Zimbabwe, neither pre- nor post-independent policies have tolerated urban "squatters" (Butcher, 1986:10). How the Zimbabwean government addresses the land issue is also worth noting.

The purpose of this comparative study is to localise the perspective on development to build a society that takes its inspirations from the African State as opposed to global cues. It is imperative, therefore, to state that South Africa is free to pick and choose those methods that have been proven in practice and are adaptable to South African conditions regardless of the ideologies that others may attach to them. In this regard the South African national housing ministry has so far embarked on stabilising the environment for housing provision through a housing subsidy scheme (Implementation Manual, November 1995:8). (The progress of this strategy will be discussed in Chapter 5, i.e. the position of the government in the Housing White Paper).

Although the focus of this comparative study is on housing provision in Tanzania and Zimbabwe, the study will first discuss briefly the three phases of housing provision in Africa in general.

3.3 HOUSING PROVISION IN AFRICA

The methods of housing provision in Africa described by Stren in Amis and Lloyd (eds.) (1990:35-49), have been shaped by three distinct phases. The first of these may be called the State-housing phase, which lasted from the 1950s (or just before independence) in most countries, to the late 1960s and early 1970s. During this phase, the focus of government policy was the construction of public housing estates, tight central planning controls and large-scale urban master plans. In many, if not all countries, this gave way to the aided self-help phase, during which planning standards were increasingly relaxed and State aid was extended (in principle) to low-income groups to build and improve their own houses.

This second phase overlapped with the first, lasting from the early 1970s through the early 1980s. The present phase, which began in the late 1970s when the consequences of the African economic downturn began to manifest itself in the cities, may be called the management and infrastructure phase. During this phase, governments have become increasingly concerned about efficient local management and effective controls over decentralised initiatives, while they struggle to deploy resources to maintain a deteriorating infrastructural base. Stren, *ibid.* states that although many countries have entered the third phase, they have not necessarily totally discarded either the symptoms or the characteristics of the policy approaches of the other two phases. Each of the three phases will now be discussed.

3.3.1 Phase One: State Housing

African governments have dealt with State housing in different ways. For instance, in 1962, Tanzania established a National Housing Corporation (NHC) with the aim of building public housing units. The NHC hired a large staff and built directly, unlike the Kenyan NHC, which operated via a tendering procedure with private sector contractors (Stren in Amis & Lloyd, 1990:37). Stren further stated that over the five-year period of Tanzania's first national plan, which ran until 1969, 70% of the 5 705 low-cost houses built by the Tanzanian NHC were replacement units built on the site of former "slum" dwellings that had been demolished in downtown Dar es Salaam.

Although the Kenyan NHC managed to maintain a relatively high level of production of conventional housing units throughout the 1970s (from a low of 317 in 1976 to a high of 4 085 in 1979), the Tanzanian NHC was wound down by the government. Mismanagement and corruption, an inability to keep costs down, and unavailability of low-interest funding from the Treasury were cited as the reasons for this low level of performance. From 1975 to 1980 the corporation averaged less than 100 units per year (Stren, 1984:248). Stren comments that, while both Kenya and Tanzania began to experiment seriously with other modalities of public support for housing, the public housing corporation was the main instrument of policy in both countries until the mid-1970s.

Most African countries applied this phase. State-built housing has inevitably involved a high level of public subsidies to ensure that the monthly (rental or mortgage) payments fall within the range that low-income families can in principle afford. However, due to the enormous pressure on urban housing outside the state sector, African governments were compelled to seek an alternative approach to meet these new housing challenges. This gave way to the aided self-help approach. This was also to assist the urban poor (especially the new urban arrivals) who cannot afford the costs of residential structures produced according to conventional building standards.

3.3.2 Phase Two: Aided Self-Help

The aided self-help approach was the response of African governments to growing urban problems characterised by growth of spontaneous "squatter" or informal settlements that developed in unplanned residential areas. This mostly happened at an alarming rate immediately after Independence and could be attributed to the inability of the formal planning system to provide infrastructure and services for a large number of rural-urban migrants (the consequence of "rural exodus"). As a result of this, by 1967 it was estimated that 36% of Dar es Salaam's population lived in "uncontrolled settlements". This figure increased to 44% of the city's population living in "squatter" areas by 1972, constituting an average compound yearly increase of 24% from 1969 through 1972 (Stren, 1975:60-62).

Further pressure for aided self-help came from the international lending community, in particular the World Bank. Given the rising figures for spontaneous settlements in cities all over the Third World, in the face of tight planning controls, regular demolitions and high-cost construction programmes, the World Bank argued for a new approach to urban development, which incorporated various forms of aided self-help (World Bank, 1972). The suggested approach was in the form of sites and services schemes, and upgrading schemes through which low-income beneficiaries were provided with serviced plots and assistance to build their own houses. Home-owners in existing "squatter" areas were helped to obtain land tenure and to improve their dwellings. Similar approaches were followed by USAID and by the British ODA. The World Bank's overall approach to planning for the needs of lower-income groups has had a strong influence on the urban policies of many recipient countries. For example, Tanzania's 1975 loan went towards a mix of sites and services and upgrading (Stren in Amis & Lloyd, 1990:40).

Each strategy or approach has its own shortcomings, as was the case with the aided self-help approach. The reasons for these shortcomings were as follows:

The first problem was the deviation from the scheme's stated objective of providing housing for low-income groups at a cost they could afford. Critics charged that the actual beneficiaries of sites and services schemes were often the higher-income people whom the schemes had been explicitly designed to avoid, meaning that poor tenants were marginalised from the redeveloped areas.

The second problem was a high level of state subsidies in these schemes, in the form of free administrative services, free or less than market-priced land, or low interest rates on loans (the "soft loans") for building materials. Stren argues that subsidies were a serious problem because they prevented the replicability of schemes, since they reduced considerably the scope of government activity during the period from the late seventies onwards when state revenues were shrinking (Stren in Amis & Lloyd, 1990:42).

The third reason that led to phase three, management and infrastructure, and a shift away from concentration on aided self-help, had to do with levels and quality of urban infrastructure. Roads, water and other services were either not built on time or were not well maintained once they were installed. For example, Halfani notes the poor condition of infrastructure in the Dar es Salaam sites and services project:

“Roads in the project area had huge gullies and potholes. This made driving (or walking) along these roads very hazardous, especially in the absence of simple traffic signs, sidewalks, and street lighting. Similarly, the open drainage system, which was often clogged, created a fertile breeding ground for malaria-spreading mosquitoes and contributed to general environmental pollution. This unhealthy condition prevails essentially because there is no budget allocation for maintenance and repair of the infrastructure in project sites” (Halfani, 1986:98).

By the late 1970s and early 1980s, many African countries were having problems with regard to maintaining acceptable levels of urban services and infrastructure. The situation was particularly serious in most of the Anglophone countries, where hard currency for the purchase of equipment and spare parts was in short supply (Stren in Amis & Lloyd, 1990:43).

The second service area that has been experiencing severe problems is public refuse collection. The mounting piles of stinking refuse formed by uncollected rubbish have created a mess in many African cities. Nairobi was described as a classical example (Weekly Review, 25 January, 1985:3 and Stren in Amis & Lloyd, 1990:43).

Public transport is another service area that came under pressure during the 1970s and 1980s. This was caused by the horizontal expansion of African cities. In turn, this affected the distance which ordinary workers had to travel to their workplaces. Dar es Salaam was described as a classical example of this trend, having grown in land area very extensively in recent years. In 1974, the national parastatal company, UDA, was created for public transport in Dar es Salaam. UDA's fleet strength and its overall performance did not last long. It began to deteriorate. While it was able to carry 137 million passengers in 1983, this was achieved in the face of frequent breakdowns and constant overloading. From a fleet size of 374 busses of which an average of 257 were serviceable every day in 1975, UDA's fleet size decreased to 205 in 1984, of which an average of 131 were operational. The shortfall was reflected in the fact that, during the peak periods, 22% of all waiting passengers on Dar es Salaam routes were left behind because of overcrowding on the buses (Kulaba, 1986:49). For 1984, a consultant study estimated that UDA would need 305 serviceable buses to meet the demand; given the serviceability ratio of 70%, this would have meant a total fleet of 436 buses (Tanzania, 1984:46). Given UDA's poor record in obtaining foreign exchange from the government (from 1975 through 1983 it obtained only 35,33% of what it asked for), and the problems of potholes in Dar es Salaam's extensive road system, the prospects

were not good for an improvement in either the capacity or the running efficiency of the publicly-owned transport service (Stren in Amis & Lloyd, 1990:44).

A third area of concern is water, as indicated by a study conducted in most Nigerian cities. The poor water supply was singled out as the most serious problem by the households interviewed. There were cases of homes with no pipe-borne water connections, some with various degrees of interruption in water supply, others with a single communal tap in their neighbourhood (Onibokun, 1986:135).

All over urban Africa piped water is generally not available in many newly-developed and in almost all spontaneous housing areas. In such circumstances residents, even those among the poorest in the city, are obliged to purchase water from water-sellers. In Dar es Salaam in the early 1970s, public standpipes were installed in "squatter" areas, where water was available free of charge, but because of the distance people had to walk to obtain water at the few water points, most people needed to purchase water regularly from water-sellers. Because of no direct access to water, some exploited this situation by commercialising water as a commodity. This in turn resulted in high prices for the very poorest. For example, the cost in "squatter" areas of purchasing water was ten times higher (for equivalent quantities) than in areas where piped connections had been installed for individual houses (Stren, 1975:49).

The difficulties in both the supply and maintenance of urban infrastructure in Africa have been compounded by the economic downturn of the late 1970s and early 1980s. Not only did these difficulties lower the quality of life of urban residents who already had reasonable housing, but they proved to be an even more severe burden for new urban arrivals who often had to find (or construct) housing on the urban periphery where there was no infrastructure and no public services. In a study based on work by Linn (1983), supplemented by research in Nairobi and Lusaka, Strassman showed that the rate of housing construction in low-income areas corresponded directly with the speed at which basic infrastructure (especially water) was installed (Strassman, 1984).

This underlined the more general argument of Linn that the extension of public services (water supply, energy, waste disposal, drainage and road circulation, etc.) is the most effective policy instrument for expanding the supply of urban housing, dampening land price increases, and stimulating private investment in shelter (Linn, 1983:183). Linn also argued that public provision of housing is one of the least efficient and least equitable means of solving the housing problems of "Third-World" cities.

The blame then fell on the organisation and delivery of services and infrastructure. This was as a result of large-scale sites and services and even upgrading projects that became deficient in various ways. There was a lack of commitment in the supply and adequate maintenance of urban infrastructure which is important to both the supply of new housing and the equitable enjoyment of housing facilities by urban residents. This need takes us to phase three - management and infrastructure.

3.3.3 Phase Three: Management and Infrastructure

This phase was born out of problems encountered by African governments with regard to the efficient management of public services and adequate maintenance of basic urban infrastructure in their major cities. This approach stresses government support for the building of necessary infrastructure, supported by decentralised planning. In the 1980s there was renewed interest in decentralisation in Africa, and in the proper management of urban services at the local level. These questions have come together in a concern with how best to structure institutions of local government in major African cities. There is recognition that large cities must be better governed if services are to be more accessible, and if urban residents are to be more productive (Stren in Amis & Lloyd (eds.), 1990:46-9).

Across the continent, including Kenya and Tanzania, there have been efforts to stabilise the delivery of urban services through local government reorganisation. Kenya, with a relatively long tradition of urban local government, began to experience problems in the

late 1970s and early 1980s. A symptom of these problems was the central government's decision to disband the elected Nairobi City Council in March 1983, and to replace it with an appointed Commission. When he suspended the Nairobi City Council, the Kenyan Minister of Local Government mentioned "gross mismanagement of council funds and poor services to the residents" as justification (Weekly Review, 11 March 1983:4). Even in 1986 the financial situation was reported as still unstable and the problem of water shortages and uncollected refuse continued unabated (Weekly Review, 21 March 1986:6).

The Tanzanian government has also been concerned with the question of inadequate urban infrastructure. Like Kenya, it paid less attention to housing strategies and more attention to strategies for the improvement of local government and the management of urban services and infrastructure. Since the 1972-78 "decentralisation" period, when urban services deteriorated dramatically, the government has been moving towards a reinstatement of the old "local government" system, whereby local councils have some financial autonomy from the centre, and are able to operate at least a limited range of services. The new system began to come under strain in 1987, when the central government reduced its grants to local authorities. Meagre resources at the local level, financial mismanagement, and a weak local government audit system all contributed to the inability of local urban councils to manage their services effectively, even though the role of local government is now accepted by both the public and the central government (Kulaba, 1986:17). For both housing and other urban services, Tanzania's challenge is a more efficient control and allocation of the limited resources that have been made available to local authorities. Like Tanzania, Kenya will have to properly administer and competently manage its cities, and must have adequate resources to operate and maintain basic urban infrastructure and public services efficiently. In short, this therefore calls for institutional development and the capacity to provide and maintain an adequate infrastructural base.

3.4 THE CASE OF TANZANIA

It is imperative to look at a country's history and its political and economic systems before analysing and assessing its performance in addressing housing and other developmental issues.

3.4.1 History

Tanzania became independent from British colonial rule on 9 December 1961. The mainland united with Zanzibar and Pemba in 1964, which culminated in the adoption of a republican form of government (Jamhuri ya Mmungano wa Tanzania, i.e. United Republic of Tanzania) under the Tanganyika African National Union (TANU) later Chama che Mapinduzi (CCM) party (i.e. Party of the Revolution). In 1967 the Arusha Declaration established the principles of socialism and self-reliance upon which the future political, social, economic and physical patterns of the country were to be based (Fair, 1984:33). After the Arusha Declaration, Tanzania became socialist-oriented in the category of less-developed countries. It was a one-party state, but in May 1992 multi-party democracy was introduced by an Act of Parliament. In October 1995 democratic elections were held in which Benjamin Mkapa, former Science and Technology Minister from CCM, became the new President of Tanzania (ARB Vol. 32 no 9:11985). During the election campaign, he emphasised self-reliance, citizens owning the economy, the promotion of modern production methods and increased national income and government revenue. He also welcomed privatisation.

Unlike Zimbabwe, Tanzania is not a landlocked country. As described in the New African Year Book (1995/96:422) and Hunter (1995/96:1255), it has a total surface area of 945 087 square kilometres (364 881 square miles) and 1 424 kilometres of coastline. Its population size is 27.9 million according to the January 1995 estimate. Due to its urban or administrative decentralisation strategy, the government took a decision in 1973 to move the capital from Dar es Salaam to the more centrally located Dodoma.

The aims were to relieve pressure on Dar es Salaam, to promote development in the interior of the country, to complement the villagization programme and to assist the move towards administrative decentralisation (Hayuma, 1979:355). Since Dar es Salaam was associated with an alien colonial regime, Dodoma, as described by Hoyle (1979), was to symbolise the aspirations and philosophies of Tanzanian socialism, as well as the achievements of the development policies of the new nation. Dodoma, as the new capital, lies at the heart of Tanzania's Ujamaa endeavour, in a country of 25 administrative regions.

Languages spoken in Tanzania are Swahili as an official language, English and 120 African languages. The unit of currency is a Tanzania Shilling (Tsh) of 100 cents. The National Anthem of Tanzania is Mungu ibariki Afrika (God Bless Africa) by M E Sontonga, the same as that of Zambia, Zimbabwe and former liberation movements in South Africa - the African National Congress (ANC), the Pan Africanist Congress (PAC) and Azanian Peoples' Organisation (AZAPO).

It would be worthwhile, when conducting a comparison, to systematically take into account the peculiar differences between African countries concerning their economic and political systems attributed to their historical experiences and current development predicaments. The reason is that political, economical and even institutional settings often, to some extent, have an impact on the implementation process of housing and development programmes. This is the case in Tanzania. Fair (1984:39) argues that the problem in both rural and urban areas has not so much to do with the policies themselves as with the nature of the bureaucratic apparatus - its rigidity and insensitivity to the client population - tasked to implement the policies. Fair points out that this is undermining the attempts to come to grip with the urban housing problem. The economic system also has an impact on the housing and development programmes of a country. As argued in Chapter 1, the performance or malperformance of the formal economy largely dictates the scope and pace of a national housing programme. This is encountered in Tanzania, a country once described by the World Bank and Nursey-Bray

(1980) as one of the poorest 25 countries in the world. In Tanzania, the GNP per capita was recorded as US\$100 in 1993 and according to a HDI/World Bank ranking, Tanzania's HDI was 0.306/148 in 1992 (Hunter, 1995/96:1255). This means that Tanzania has low economic development compared to other developing countries, a factor that this study wants to take into account when undertaking comparisons.

3.4.2 Political and Economic Systems

Politically, although Tanzania has propagated an anti-capitalist ideology, her socialism is not Marxist. According to the Financial Times quoted by the Africa Research Bulletin (31/5/78); Hoyle (1979) and Young (1982), Tanzanian socialism espoused by Nyerere is populist-socialist, a form of African Socialism described as an attempt to create a completely egalitarian society founded on pre-colonial African values stressing the community rather than the individual. In this regard, the researcher believes that African Socialism, espoused by Nyerere, is founded on the basis of traditionally African systems, which are more communalistic - Ubuntu/humanness than on traditionally Western systems, which tend to be more individualistically inner-directed. This is evidenced by Ujamaa Villagization programme whereby collective and communal living and production are based on traditional African values of familyhood and self-reliance (Fair, 1984:33).

Economically, most private enterprises in Tanzania were nationalised following the Arusha Declaration of 1967. Self-reliance depended mainly on a person's own resources. Production was related to the needs of the society, giving priority to peasant agriculture in which 90% of the people, according to Fair (1984:38), were involved. Economic support was given to the Tanzanian people rather than to foreign investors, and economic dependence on the Capitalist West was to be reduced as far as possible. This system, however, was superseded in 1986 by the adoption of a World Bank/IMF Economic Recovery Programme (ERP), a Structural Adjustment Programme (SAP). Due to economic difficulties such as a chronic balance-of-payment problem, budget

deficit, debt servicing and budgetary constraints that affected most of the sub-Saharan Africa during the 1970s and 1980s, the government responded by adopting the ERP (Himmelstrand *et al.*, 1994:218-225). The Economic Recovery Programme involves a package of reforms aimed at the liberalisation of the economy (Amis & Lloyd (eds.), 1990:3). It is important to note that the new President, Mr Ben Mkapa, also welcomed privatisation. It is against this background that the economic performance in coping with housing problems and urban population growth, has to be assessed.

3.4.3 Housing Conditions

This aspect of comparison is structured into four issues, viz. housing provision, urbanisation, land acquisition or availability and housing finance. It is believed that the correlation between these issues (as explored in Chapter 2) experienced in Tanzania, will add value to the knowledge generated for this thesis.

3.4.3.1 Housing Provision

Like other African governments, the Tanzanian government used three approaches to housing provision, viz. State housing, State-aided self-help schemes and management and urban infrastructural development. The focus of government policy was the construction of public housing estates. The public housing corporation was the main instrument to implement housing policy until the mid-1970s. The establishment of the National Housing Corporation (NHC) was evidence of this in 1962. The Tanzanian Housing Bank (THB) was also established in 1972 (following the Arusha Declaration of 1967) by an Act of Parliament and started its operations in 1973. (The roles and functions of NHC and THB will be discussed later). The second approach was State-aided self-help schemes for low-income groups to build and improve their own houses. For example, Tanzania's 1975 loan from the World Bank went towards a mix of sites and services and upgrading (Stren in Amis & Lloyd (eds.), 1990:40). The stated objectives of the schemes were to provide affordable housing to low-income groups.

The third approach was management and urban infrastructural development. The Tanzanian government had become increasingly concerned about the lack of efficient local management and effective controls over decentralised initiatives, i.e. optimal utilisation of resources to maintain infrastructure. This approach was related to the levels and quality of urban social services and infrastructure, and their supply and maintenance at local level. It focused on the improvement of local government and proper management of urban services and infrastructure.

In Tanzania, both private and public sectors were involved to varying degrees in the housing provision process. The roles of both sectors will be discussed in the next section.

3.4.3.2 The Role of the Public Sector

In 1962, the National Housing Corporation was established to enhance housing both in urban and rural areas. The NHC was to be financed through private and other channels (Fair, 1984:37). Following the Arusha Declaration, the Tanzanian Housing Bank (THB) was established by Act of Parliament in 1972 and started its operations in 1973. This step had provided the only major source of housing finance in Tanzania and one which has dominated the post-independence period.

3.4.3.3 The Role of the Private Sector

The private sector was directly involved during the colonial era until the time of Independence. At the time of Independence the First Permanent Building Society, which subsequently became known as the Permanent Housing Finance Company of Tanzania (PHFCT), was involved mainly with urban commercial loans, mostly in Dar es Salaam and was the only major source of housing finance in Tanzania. Another type of private sector funding (after Independence and the Arusha Declaration of 1967) was through the Housing Development Fund involved mainly in Dar es Salaam. The

Workers' and Farmers' Housing Development Fund (WFHDF) was established to generate additional funds by an Act of Parliament in 1974 and it was administered by the THB. The financing of this Fund was by way of a levy.

The WFHDF was established for the following purposes:

- A portion of the fund was to be used for the provision of loans to housing societies and the NHC for the construction of low-cost housing in Dodoma;
- The balance was to be used, firstly, for the provision of loans to employment-based housing societies and secondly, for financing low-cost house improvements or construction schemes undertaken by Ujamaa villages and co-operative societies.

The Tanzanian government wanted to ensure the involvement of employers in the process of housing provision and employers were expected to provide housing for their employees via the Fund. Every month each specified employer had to pay a housing levy of 2% of the gross emoluments (salaries) paid to all employees (10 or more employed by him or her during the month), and any employer who failed to pay the levy would be guilty of an offence (Maganga & Ndjovu, 1982:25).

The involvement of the private sector was indirect only through this WFHDF. The reason might lie in the economic system adopted, especially after the Arusha Declaration. Following the Arusha Declaration of 1967 most private enterprises were nationalised. As a socialist-orientated country future political, social, economic and physical patterns were to be based upon the principles of socialism and self-reliance (Fair, 1984:33). In this regard it is said that there was no private sector participation (through building societies or financial institutions) in the process of housing provision (Maganga & Ndjovu, 1982:11). It has to be noted that in Tanzania the public sector was the major source of funding the implementation of housing policy.

3.4.4 Urbanisation Trends

Like most African countries, Tanzania's major cities have experienced problems of urban growth with consequences for urban housing. This is supported by empirical evidence drawn from Dar es Salaam and Dodoma. It has been stated that most of the urban problems faced by African governments today are the direct result of former colonial policies. For example, in colonial times the then government encouraged rural-urban migration in order to draw labour for industrialisation purposes in major cities, Dar es Salaam in particular. This was encompassed by the eviction of people from their land. However, to achieve this objective the colonial government had to impose a "Poll and Hut Tax" to be paid in cash by every adult male or head of any household (Austern, 1968:54; Iliffe, 1969:158-62). The imposition of taxes was aimed at forcing Africans into accepting wage labour. This resulted in the creation of labour reserves, which subsequently became spontaneous squatter settlements of the urban poor. Hence, male adults or heads of households in these areas had to enter the labour market for the purpose of paying taxes and the survival of their families. As Himmelstrand *et al.*, (1994) put it, most Africans are tied to the land. Their survival or development depends on access to the land.

This is the same forced process of social engineering which characterised the rural-urban migration process in South Africa. The negative consequences of urbanisation, housing shortages and other developmental problems can be attributed to urbanisation-related government policies implemented in the past. Consequently rural-urban migration is generally viewed as the heart of the problem of housing in Dar es Salaam and Dodoma. Dar es Salaam, like other former British African major cities, has "squatter" settlements, namely Tandale, Sinza, Mwananyamala Kisiwani, etc. These "squatter" settlements mostly sprang up in the mid-1940s (Tandale) and late 1950s (Mwananyamala Kisiwani). Sinza, however, is the product of site and service programmes and upgrading projects started in 1974, and was inhabited in 1976 (Magembe & Rodell, 1983:5-21). Hayuma (1979) quoted by Fair (1984:37), describes

the "squatting" situation in Tanzania and says that "squatter" housing was regarded as illegal in the past and was indiscriminately demolished in "slum" clearance programmes. To deal with unemployment and indirectly with "squatting", vagrants were rounded up from time to time and returned to their rural homes or to nearby villages.

After the Arusha Declaration of 1967, the Tanzanian government emphasised rural development as a strategy to reduce or take pressure off Dar es Salaam by distributing or dispersing its population to a number of towns. The Tanzanian government was quoted, (Fair, 1984:34), as stating that rural development would be the main vehicle for slowing the drift to towns. Tanzania is known for its poverty-focused rural development strategy of Villagization, administrative and industrial decentralisation. In 1973 the decision was taken by the government to move the capital from Dar es Salaam to the more centrally-located Dodoma. The aims were to relieve pressure on Dar es Salaam to promote development in rural areas.

Dodoma, the new capital, has also experienced similar problems of "squatter" settlements. According to Yahya (1981:15) unplanned "squatter" settlements have arisen, and illegally built houses accounted for 35% of the dwellings in 1981, threatening to ruin the original concept of a showplace capital. This could be attributed to a number of factors:

- Tanzania, one of the poorest countries in the world, had no capacity to cope with its enormous housing problem (Hayuma, 1979:357).
- Tanzania diverted large resources to an unproductive undertaking of establishing a new capital, Dodoma, which has also aggravated the financial problem by forcing the country into heavier external borrowing.
- Tanzania simply did not have resources of her own to promote rural development through a balanced urbanisation and industrial location policy.

3.4.5 Land Availability or Acquisition

Due to land unavailability for housing, the government nationalised urban land in 1963 to facilitate its control and allocation (Fair, 1984:37). Despite these efforts, urban centres show signs of inability to absorb migrants to urban areas. Urbanisation after political independence in most African cities was caused by high expectations of a better life in city centres, e.g. anticipation of better employment opportunities, higher incomes, better health services, community facilities and better education. However, urban resources and land availability for the provision of adequate housing and essential services could not always keep up with the growth rate of the urban population - caused by both rural-urban migration and natural growth. Tanzanian cities were no exception to these problems of urban resource constraints, rigid and insensitive bureaucratic apparatus responsible for policy implementation, and increasing urban housing shortages.

3.4.6 Housing Finance

The source of finance is one of the major constraints facing shelter development schemes, especially for the "poorest of the poor" who have unstable income or no income at all due to unemployment in the rural and urban areas. Since the national economy in developing countries is dominated by the informal sector, financing is a common constraint.

Unfortunately no NHC impact was felt in the rural areas during the first post-Independence decade, except for the 239 low-cost and 5 medium-cost houses built between 1964-1969 (Maganga and Ndjovu, 1982:11). Owing to her public and private financial constraints, the Tanzanian government aimed to foster rural development and to improve rural housing conditions by using foreign aid to establish new model villages (Ujamaa Villages) in the early 1960s.

It is important to describe briefly the Tanzanian Housing Bank (THB) and the purpose of its establishment. The THB is a commercial public institution and the purpose of establishing it was to tie up its functioning with the housing policy implementation. The THB was established with the following main aims:

- to mobilise local savings and external resources for housing, hence the Tanzanian government put more emphasis on self-reliance;
- to promote housing development by making available financial (loan or equity) and technical assistance to individuals, Ujamaa Villages, co-operatives and Building Societies;
- to operate savings, time and term deposit accounts and to pay interest thereon; and
- to ensure the implementation of government policy on housing and building, to promote the use of local materials, to encourage the construction of the types of houses best-suited to local conditions, to foster the minimisation of building costs, to determine prices at which houses may be sold and rents at which they can be let (Maganga & Ndjovu, 1982:21).

3.4.7 Weaknesses and Strengths

Every strategy or policy has its shortcomings as well as its successes. It is recognised that in most developing countries, the national economies are dominated by the informal sector, which is characterised by irregular and poorly paid employment opportunities and underemployment. This has implications for housing provision because banks cannot lend a sum or a mortgage bond to an individual without a secure job, as it is unlikely to be repaid.

Due to its weak economy, Tanzania showed that it has a lack of capacity to cope with its urban housing problem, despite good intentions to concentrate on rural development in order to reduce pressure on limited urban resources. Although the Tanzanian

economy performed very poorly in the 1970s and 1980s, in the early 1990s its real growth rate was around 4,7%, (New African Year Book, 1995/96:426 and Africa Institute, 1997). Its external debt was about US\$7 billion in 1996.

With regard to the weaknesses, the nature of the bureaucratic apparatus responsible for the implementation of policies and strategies - its rigidity and insensitivity to the client population - is said to be the cause of the slow process of planned sites allocation (Fair, 1984). As a result of that, the "squatting" population increased in unplanned areas. This undermined the attempts by the Tanzanian government to commit itself to improving the social living conditions of Tanzanian people with limited resources. Other bottlenecks are shortages of funds, building materials, and available land on which to build houses. A contributing weakness was the tendency of the NHC to concentrate on middle-income and high-income earners rather than low-income groups, which was contrary to the government's objectives, in other words, it was tantamount to a deviation. According to the Arusha Declaration of 1967 and its equity objectives, urban housing policy was directed at improving the position of the lower-income groups and restricting the privileges of the upper-income groups. The NHC was to be financed through private and other channels. This deviation, therefore, can be attributed to the following factors:

- the problem with security of tenure to allow low-income groups to be able to apply loans, coupled with the inflexibility of procedures of credit and/or lending policies of financial institutions; and
- existing income gap between wage earners and different income groups.

With regard to successes, Himmelstrand *et al.*, (1994) commented that despite its poor economic performance, by the end of the 1980s Tanzania's rural superstructure of social welfare services was superior to that of most other low-income countries and many medium-income countries. The Tanzanian government has intentions of becoming more rural biased than urban biased, because colonial governments neglected rural

areas. After the Arusha Declaration of 1967, government policies stressed rural development strategies (Ujamaa Villagization programme) to reduce pressure on urban resource constraints such as land and other essential social services. The decision by the government to establish the Tanzania Housing Bank (THB) mainly for rural housing development was to assist in the implementation of these objectives. One of the objectives of rural development is to make living more attractive through improved social facilities in order to stop the exodus of youth to the urban areas (Hyden 1980:118). Normally, as has been stated, rural-urban migration is largely due to seeking better education facilities and higher incomes obtainable in big cities.

With regard to the existing income gap, Tanzania succeeded in narrowing the inequalities between urban and rural areas, as well as between 'rich' and poor. A narrowing of income differentials has taken place so that every category of workers has improved its position against all the higher categories. The International Labour Organisation (ILO) noted that in Tanzania the incomes of urban wage earners have been frozen in recent years, while prices paid to peasants have risen and the income gap between wage earners and farmers has declined sharply (ILO, 1982:75). The Tanzanian government succeeded remarkably in providing some incentives by setting ceilings on salaries and raising the lower wage levels. This is evidenced by the lowering of top government executives' salaries to six times as high as that of the minimum wage earner in 1981, as compared with 30 times as high thirteen years previously (ILO, 1982:272). These were the efforts of the government - which committed itself to the equity objectives of socialist-oriented policies - to eradicate social inequalities caused by the policies of colonial government.

In Tanzania, spatial policies to decentralise population and economic activities (to balance development) were used as complementary strategies to discourage rapid urbanisation which affected the housing needs of the urban population. This background will be used in Chapters 4 and 5 to analyse and compare housing and related development issues in South Africa in general and Khayelitsha in particular. It

will be used to draw lessons on how housing and related development problems should be addressed.

3.5 THE CASE OF ZIMBABWE

3.5.1 History

Zimbabwe became independent from British colonial rule on 18 April 1980. The system of government is a parliamentary system with the government selected by the President. The ruling party since Independence has been the Zimbabwe African National Union-Patriotic Front (ZANU-PF). Geographically, Zimbabwe is a landlocked country with a total surface area of 390 759 square kilometres (150 872 square miles) (Hunter, 1995/6:1625). Its population size is 10,96 million according to the January 1995 estimate. Its capital is Harare. Languages spoken in Zimbabwe are English as official language and two African languages - Shona spoken by 80% of the population and Ndebele by 19%. The Zimbabwean National Anthem is *Ishe Komborera Africa* (God Bless Africa) by M. E. Sontonga, the same as that of Zambia, Tanzania and former Black liberation movements in South Africa. The unit of currency is a Zimbabwe dollar (Z \$) divided into 100 cents.

3.5.2 Political And Economic Systems

Politically, during her first five years after Independence Zimbabwe had tried to practise socialist-oriented policies characterised by an interventionist economy and a one-party state. These were eroded by the demand for multi-party democracy that swept the continent in the late 1980s and the beginning of the 1990s. Socio-economic problems are attributed to the high inflation and escalating costs of service provision, sluggish economic growth, rising unemployment, budget deficit and budgetary constraints, which affected almost the whole continent, as noted by Zinyama *et al.* (1993); Himmelstrand *et al.* (1994); and Du Toit and Jacobs (1995). The Zimbabwean

government has slightly changed its interventionist socialist-orientated policies. According to McKay *et al.* (1995:11) Zimbabwe has embarked on a comprehensive structural adjustment programme to achieve more rapid growth and employment expansion.

Economically, Hunter (1995/96) commented that a donor-funded Structural Adjustment Policy had started in 1991 aimed at promoting a market economy by economic liberalisation, deregulation and liberalisation of trade. In this regard, McKay *et al.* (1995:11) stated that Zimbabwe aimed to attain more rapid growth, expand employment and reduce poverty; to improve human resources and to improve the environment for private sector development by highlighting the need for further action in three key areas:

- more supportive macro-economic management, with smaller fiscal deficits and zero public enterprise losses;
- improvement to the incentive environment, with particular reference to land use and the competitiveness of exporters; and
- focusing public expenditure on human resource investments and other initiatives to support sustained poverty reduction and provide infrastructure needed for growth and social upliftment.

It may be valuable to give a brief economic picture of Zimbabwe for assessment of the housing sector's performance. It is believed, as argued previously, that the economic performance of a country has an impact on the housing sector's performance.

Zimbabwe is regarded as one of the most industrialised countries in Africa. Its GNP per capita was recorded in 1993 as US \$560 and a HDI of 0.474/121 according to HDI/World rank in 1992, with a life expectancy of 56 years (Hunter, 1995/96: 1625-27). Unlike most of its African neighbours, the Zimbabwean economy is broad-based and highly diversified with industry accounting for about 35% of output, agriculture

16%, mining and quarrying 6%, and the service sector for the remaining 43%. McKay *et al.* (1995) pointed out that the rate of growth of output in the post-Independence period in Zimbabwe has been modest (averaging about 2.5% per annum), reasonably even spread across major sectors, but uneven over time. In 1991 the economy grew by 4.3%, but in 1992 the drought caused output levels to decline by over 6%. Consequently, incomes were eroded and there was a decline in purchasing power for basic consumption needs. According to McKay *et al.* (1995: 11) the economy only recovered in the second half of 1993 and the output grew about 4%. Growth in 1994 was expected to be about the same 4%. According to Africa Institute (1997) and Economic Intelligence Unit (1997) Zimbabwe's real growth rate/GDP was around 6% with external debt of US\$5 billion in 1996.

3.5.3 Housing Conditions

In this section, the approaches, strategies and methods applied in dealing with problems of rapid urbanisation, the unavailability of land and housing finance, particularly in the informal settlements, will be explored and discussed.

3.5.3.1 Housing Provision

According to Butcher (1986:10) quoting the Hansard (June 1983), the government's policy on urban "squatters" was spelt out by the President in his opening address to Parliament in June 1983 when he said, "...it is government policy to remove urban "squatters" and accommodate them in properly planned residential areas". Butcher further commented that "squatter" settlements in Zimbabwe have been and are still regarded as diseases of the urban structure. As a result, attempts are made to eradicate such areas for redevelopment and to relocate residents in properly planned housing areas.

The government has been opposed to the development of unauthorised informal housing within urban areas. "Squatter" settlements have generally been destroyed whenever they have appeared. As Butcher (1986:10) points out, in Zimbabwe neither pre- nor post-Independence policies have tolerated urban squatters. In 1980/81, for example, the "squatter" settlement of approximately 30 000 people at Chirambahuyo (on the outskirts of Harare) was bulldozed and residents were relocated to a planned site and service scheme. Similarly in 1983, shanties of a further 10 000 people were bulldozed at Russelldene (between Harare and Chitungwiza). Butcher states that the only settlement to have been tolerated in the post-Independence period has been that of Epworth, due to the fact that a large number of residents there have had a long history of settlement in the area and claimed that their fathers paid for the land. Hence, it was decided to upgrade settlement rather than to demolish it and attempt to relocate residents elsewhere.

Since Independence, the Zimbabwean government has adopted a number of housing policies. These include public-funded housing schemes in both rural and urban areas for those without houses; the mobilisation of resources by both the public and private sector to meet national housing needs; encouraging individual and family savings in order to promote thrift and self-reliance in housing provision; home ownership as the major form of tenure with a small percentage of rented houses being developed; encouraging cost-effective and labour-intensive modes of house construction in order to make dwellings affordable and to create employment at the same time; and full cost recovery (Chenga in Zinyama *et al.*, 1993:47). With regard to housing standards in Zimbabwe, minimum housing standards have been set as follows:

- an expandable and detached four-roomed core house with reticulated water and sewerage, road access and electricity;
- minimum plinth size of 50 square metres;
- minimum plot size of 300 square metres;

- walls constructed of either burnt bricks, cement blocks or stabilised earth bricks coated with cemwash;
- floors made of cement and with a smooth finish; and
- roofs of corrugated iron or asbestos sheets.

It is important to point out that in Zimbabwe it is government policy to involve both the public and private sectors in housing development. Chenga in Zinyama *et al.* (1993:47) points out that in early 1989 the United Nations Commission for Human Settlements (HABITAT) endorsed a new Global Shelter Strategy, which calls for adequate housing for all by the year 2000. Its theme is the "enabling approach". Chenga describes the main feature of the enabling approach as the reduction of government's role as a direct provider of housing and to become an "enabler" and "facilitator" of local authority, private and informal housing processes. However, he argues that in this approach governments are not called upon to abdicate their responsibility but rather to mobilise the resources of other role players and facilitate their deployment for the effective provision of shelter.

3.5.3.2 The Role of the Public Sector

Firstly, the government has a revolving fund, the National Housing Fund, from which it lends money at below market interest rates to local authorities throughout the country for the development of low-income housing. The loans are fully cost recoverable from the user-group.

Secondly, the government operates a housing loan guarantee scheme, which is administered by the Ministry of Public Construction and National Housing. The scheme covers people from all walks of life, enabling them to buy existing houses on the open market or to build new ones (Musekiwa in Zinyama *et al.*,1993:57).

3.5.3.3 The Role of the Private Sector

Before Independence, private sector involvement was primarily in the field of providing housing finance through building societies for individual purchase of existing stock. However, private sector finance for the construction of new housing was limited to high-income groups. In the post-Independence period, the role of the private sector has changed to include low-income groups.

Since 1986 the three building societies, Central African Building Society (CABS), Founders and Beverly, have offered mortgage finance to low-income owner-builders in the urban areas. For example, CABS has taken the lead since 1989, as noted by Musekiwa in Zinyama *et al.* (1993:59) and is funding infrastructure development on 222 stands in Hatcliffe. In 1989 the government, through Statutory Instrument 308 of 1986, permitted building societies to issue 9% tax-free Paid-Up Permanent Shares (PUPS). This Statutory Instrument stipulated that each building society would, at the end of its financial year, make up to 25% of the money invested in these shares available for the purpose of financing low-income housing projects. It was further stipulated that 25% of the money earmarked for low-income housing would be channelled through the Consolidated Revenue Fund and the National Housing Fund to local authorities for the provision of on-site infrastructure, while the rest of the funds would be issued directly by building societies as mortgage loans to beneficiaries for the construction of superstructure.

Collaboration between the government and the private sector in housing development has been in the form of employer-assisted housing schemes. There are three options available under this scheme. The first is whereby employers buy serviced stands from the local authorities and then develop them for their employees either as rental accommodation or for purchase. In the second, employers buy surveyed land which they service themselves and develop for their employees, and in the third, employers can establish housing loan and guarantee schemes for their employees. It is noted that

employers' participation in the above options has been significant (Musekiwa in Zinyama *et al.*, 1993:60-61). It is important to mention that the development of middle- and high-income housing for rent and purchase has been left to private developers. The only intervention by the government is through rent-control regulations meant to protect both the tenant and the landlord from arbitrary action by either party.

3.5.4 Urbanisation Trends

Harare is the capital and largest city in Zimbabwe, sprawling over an area of 570 square kilometres. It is also the most important industrial, commercial and political centre of the country. This has been demonstrated by its urbanisation trend. For example, Zinyama *et al.* (1993: 5) commented that Harare has continued to attract more people, particularly those within the 20-34 age group. With an estimated annual population growth rate of about 8%, some 1,5 million people reside in Harare and Chitungwiza. Much of this growth is due to its role as the capital of Zimbabwe. Due to its room for expansion, proposals are being considered for a Master Plan for Harare. It is proposed that (Zinyama *et al.*, 1993: 29) in the future the city should cover some 4 570 square kilometres, eight times its present size. The proposed planning area would extend from Melfort and Goromonzi in the east to Darwendale and Kutama Siding in the west, from Seke Communal Land in the south to include Mazowe and Jumbo Mine in the north, thereby enclosing some of the country's prime agricultural land.

Zimbabwe's major cities, like other African cities, experience urban growth problems of increasing "squatter" settlements on the urban fringes during both pre- and post-Independence. Rapid rural-urban migration following Independence led to the growth of "squatter" settlements/informal housing development on the urban fringes because the cities, owing to the lack of availability of public funds, were unable to absorb and provide adequate shelter for all the new urban migrants. It was observed by Zinyama *et al.*(1993) that the growing population migrating to Harare in search of employment

manifested in an increase in the numbers of "squatters" living on farms on the edge of the city, but working in town.

In some cases, the rapid rural-urban migration was caused by security problems during civil wars or liberation struggles in many rural areas. Before Independence large numbers of people sought refuge in the major cities in Zimbabwe. Some of these people set up "squatter" settlements on municipal or privately owned lands (e.g. farms) on the urban fringes. In other cases rapid rural-urban migration was caused by expectations of a better life in urban/metropolitan areas with regard to obtaining better paid jobs, improved health facilities, better education and better social living conditions. Generally speaking, if rural social living conditions are not attractive to contain young rural people, the rural-urban migration will continue to occur, as is shown by Gilbert and Gugler (1992:64-86,226) and Gugler (1996:5-7).

3.5.5 Land Availability or Acquisition

During the colonial era, official policy regarded Africans in towns as temporary citizens. This was legally effected through laws such as the Land Apportionment Act (No. 30 of 1930) which divided the country into African (Black) and European (White) areas. Urban areas fell within European areas (Chenga in Zinyama *et al.*, 1993:46). Chenga points out that it was thought that Africans came to town only to work and that they would later retire to their rural homes. Thus the type of accommodation provided in the townships was for single people and not for families. Due to inevitable increasing African urbanisation, the colonial government decided to amend this Act. The Land Tenure Act (No. 55 of 1969) was therefore promulgated, in which local authorities were required to provide adequate housing for all Africans and to put more emphasis on the provision of accommodation for married families with children. This did not eliminate the problem of formal housing shortages in urban areas, because most municipalities were reluctant to provide adequate homes for Africans to purchase. It was also noted that decent housing for Blacks in urban areas developed only sluggishly,

while in rural areas, people were left to their own devices (Chenga in Zinyama *et al.*, 1993:46).

According to the Lancaster House Agreement (which served as the country's Constitution at the time), signed by Ian Smith, the colonial government and the Zimbabwe Liberation Patriotic Front (ZANU and ZAPU) under the auspices of British government, the Zimbabwean government was prohibited from addressing the land question during the period 1980-1990. The Zimbabwe government was able to amend this agreement only at the beginning of the 1990s. In this regard, Hunter (1995/96) states that the Zimbabwe government adopted a method of expropriating land on a willing-seller willing-buyer basis. In March 1992 legislation was passed which provided for compulsory purchase of land at a fixed price for peasant resettlement (Hunter, 1995:1625). This was meant to be the method used to solve the problem of land unavailability for all development purposes, particularly for the previously deprived, marginalised and disadvantaged section of the population. The problem of land unavailability is still an issue (Sunday Times, October 26, 1997:13).

3.5.6 Housing Finance

In Zimbabwe, finance for low-income housing in the post-Independence era has come from several sources in both the public and private sectors (Zinyama *et al.*, 1993). The first is the National Housing Fund, which is administered by the Ministry of Public Construction and National Housing. The fund provides loans at a fixed interest rate of 9,75% per annum to local authorities for periods ranging up to 30 years. The second source is donor aid funds, which have come mainly from the World Bank and United States Agency for International Development (USAID). A third source is the internal resources of the local authorities, comprising rates, rents, service charges, and water and electricity charges levied by each local authority. A fourth source is employer-assisted housing schemes. Under these arrangements, employers give loans to, or secure building society loans on behalf of their employees, or provide guarantees for

such loans. Finally, in 1986 the government, through the Statutory Instrument, encouraged the building societies to make available as much money as they can through their traditional method of mortgage loans to all income groups. As a result of this Statutory Instrument, the three building societies, CABS, Founders and Beverly, have offered mortgage finance to low-income owner-builders in the urban areas. For example, in 1989 CABS took the lead and is funding infrastructure development on 222 stands in Hatcliffe.

Having discussed housing issues, it is important to recall strategies, approaches and methods used to encourage the involvement of all role players in the housing field in Zimbabwe. By so doing, the study wants to focus on strategies that have proved to be successful in alleviating the problems of homelessness, landlessness, overcrowding and persistent poverty in other African countries.

One of the strategies pursued in Zimbabwe in the provision of low-income housing in the post-Independence era was that of aided self-help schemes, in which loans were provided in the form of either cash or materials to assist the home builders, and labour costs for construction were paid. Beneficiaries were given the choice of using registered private builders, municipality-controlled building teams or establishing their own building co-operatives. Since 1983 the government in Zimbabwe has been advocating the use of the last two methods in the construction of low-income urban housing. Building teams were seen as a way of reducing costs by removing the profit motive, of reducing construction time and of providing employment. Local authorities were encouraged to establish building teams for both material production, as well as housing construction.

Another strategy used by the government is that of forming partnerships with other role players in the housing field, given the findings of the study of 1986 conducted by the Ministry of the Public Construction and National Housing (Zinyama *et al.*, 1993) which showed that the housing problem in the urban areas was acute. Given the meagre

resources that were available, the government tried to form partnerships with other role players in an effort to provide shelter for all its citizens, by involving local authorities, the private sector and the beneficiaries. In addition to that, the Zimbabwean government also put into practice the enabling approach of the Global Shelter Strategy.

The findings of the study mentioned above showed that 54 000 units per annum were needed in the urban areas to alleviate homelessness and overcrowding and to cater for the annual growth in the population, while 76 000 units were needed to meet housing needs in rural areas. The provision of housing in rural areas (including commercial farming and mining areas) was neglected during the colonial era when it was policy to let rural people provide their own shelter. The approaches, strategies and methods used in the Zimbabwe in housing provision for all income groups, were indicative of Zimbabwean government's efforts to eliminate the housing problem by enabling the local authorities to provide, and individuals to obtain, shelter.

3.5.7 Weaknesses and Strengths

Despite the involvement of the three building societies, namely CABS, Founders and Beverly, in offering mortgage finance to low-income groups in urban areas, Zimbabwe still experienced the problem of housing finance. The establishment of a new Zimbabwe Building Society (ZBS) in November 1991 confirmed this problem. Its objective was to assist in mortgage finance for low-income groups. African Business (January 1996, No. 206:22-23) published an article "Zimbabwe, Hope for the Homeless" in which Thondhlana reported the success story of this building society which is helping to build Zimbabwean society. He stated that the Zimbabwe Building Society is becoming a beacon of hope for thousands of Zimbabwe's homeless.

Nhema, Managing Director of ZBS, stated that the shortage of housing in Zimbabwe was so serious that four or five families were living in facilities suitable for only one. Shacks made of wood and plastic had sprung up in towns and cities across the country

and fire risks and health hazards abounded. He described the effects of overcrowding as the social consequences of urban poverty, as could be seen in the youth, who have resorted to crime and drugs out of frustration. Studies on housing and urbanisation (Gilbert & Gugler, 1992 and Gugler, 1996) have shown that the lack of suitable accommodation erodes the stability of the family and community.

The Zimbabwe Building Society was formed in November 1991 to address the housing problems of the low-income groups and those in the informal sector. It was meant to look at the nature of homelessness and the lodger syndrome in general. In its work, it discovered that in low-income groups there was a lack of information and understanding of how to apply for and operate a mortgage bond. It pointed out that this had discouraged most of the housing beneficiaries. It conducted education programmes to educate the low-income groups about how to save money towards buying a house – a home-ownership scheme. Under the scheme, ZBS encouraged clients to save funds for use as a deposit for either a completely built house or towards the construction of a property. Nhema said they also undertook to help co-operatives who wanted to build homes for their members. ZBS has also entered into joint ventures with local authorities and the Ministry of Public Construction and National Housing. The ZBS has since assisted 50 co-operatives to build or buy houses for their members. Since its formation, ZBS has committed more than Z\$ 300m to low-and middle-income housing projects in such places as Harare, Marondere, Chinhoyi, Bulawayo and Mutare. From Z\$ 185m in 1993, deposits and investment had accumulated to Z\$ 1.88bn by June 1995. From an asset base of only Z\$ 7m, the ZBS is now capitalised at Z\$ 2.12bn.

The largest housing scheme ever undertaken by ZBS was the Z\$ 160m high-density project to build 4 000 houses in Harare's Kuwadzana and Mufakose high-density suburbs. The second largest was the Z\$ 40m scheme in Bulawayo, where 500 houses were built. Nhema said the ZBS conducted its functions under the slogan "Helping the homeless to help themselves" by educating and empowering them.

Zimbabwe has encouraged the establishment of municipality-controlled building co-operatives or teams. The partnership of all stakeholders (e.g. ZBS with local authorities and Ministry of Housing) involved in housing provision was also encouraged. Educating and empowering the low-income groups also adds value to the experience generated for this study, as such programmes are needed for shack dwellers in Khayelitsha in particular, and informal settlements throughout the country in general.

Efforts such as those mentioned can be adopted by the Department of Housing in South Africa to support technically and financially and encourage organisations like Victoria Mxenge Housing Association for the Homelessness. This organisation has done a lot to alleviate the problem of homelessness by building houses in areas such as Philippi, Site B, Macassar and Harare. By encouraging such organisations would mean that the government is committed and adhered to the concepts of people-centred (driven) and participatory development espoused in the RDP document (also see p. 15 -17).

3.6 CONCLUSION

In this chapter, a comparative study of Tanzania and Zimbabwe was undertaken. The main purpose of this comparative perspective was to contextualise the problem of housing and other development issues regarding African social and material conditions. This was done to demonstrate the connection with historical patterns of development. Most of the urban problems faced today by African governments are the result of the colonial (apartheid) government policies. For instance, in colonial/apartheid times the governments encouraged rural-urban migration in order to extract labour for industrialisation in the major cities. This was accompanied by the eviction of people from their land and the imposition of a tax system ("Poll and Hut Tax") to be paid in cash by every adult male or head of the household.

In many ways, the South African problems are similar to those in African countries, particularly in former British colonies. Among these are rapid rural-urban migration,

growing urban problems characterised by growth of spontaneous "squatter" or informal settlements in unplanned residential areas ("land invasions"), the inadequate supply and maintenance of basic urban infrastructure and social services (water supply, energy, waste disposal, drainage and road circulation, etc.), and a shortage of urban housing (homelessness). Overcrowding is additional to the effects of social consequences of urban poverty.

Due to high levels of unemployment, housing finance for the poorest of the poor is also a serious problem. It is acknowledged that most of the national economies of the less-developed countries are dominated by the informal sector, which is characterised by irregular and poorly paid employment opportunities and underemployment. This has implications on housing provision, because banks cannot lend a mortgage bond to an individual without a secure job, as it is unlikely to be repaid.

During the colonial times, the development of "squatter" settlements in unplanned residential areas were experienced in Tanzania's major city, Dar es Salaam (e.g. Tandele and Mwananyamala Kisiwani) and Zimbabwe's major city, Harare (e.g. Chirambahuyo, Russelldene and Epworth). In an attempt to solve the problems of severe urban housing shortage and the growing "squatter" settlements, most of the African governments have used three approaches, viz. State housing, State aided self-help and the management and infrastructure approach. In some other countries, these approaches were wound down by severe financial and management problems.

In Tanzania, mismanagement and corruption in State housing, an inability to keep costs down, and unavailability of low-interest funding from the Treasury were cited as the reasons for the low level of performance of NHC. But, despite that, the public housing corporation in Tanzania was the main instrument of policy until the mid-1970s.

Aided self-help approaches, sites and services schemes and upgrading schemes also experienced problems, such as the deviation from the schemes' stated objectives of

providing housing for low-income groups. Instead of benefiting low-income groups, the actual beneficiaries were often the high-income groups. Another problem faced by this approach was that in the late 1970s government revenue was shrinking. This placed constraints on the schemes. Because of this increasing problem, the government opted for the management and infrastructure approach.

The management and infrastructure approach experienced its own problems. Due to the lack of funds for maintenance and repairs, poor infrastructure was reported as the problem. From the State housing approach through management and infrastructure approach, financial problems were reported as the cause of poor performance of all three approaches in Tanzania. But, despite that, Linn (quoted in Amis and Lloyd, 1990:43) still believes that the public provision of housing is one of the 'efficient and least equitable means' of solving the housing problems of "Third-World" cities.

In the case of Zimbabwe, the manner in which the urbanisation of Africans was controlled and managed by the colonial government shows some similarities to the urban policies and management in South Africa. Like in Zimbabwe, the South African apartheid government regarded Africans as "foreigners" or temporary citizens in the so-called White designated areas. Under Pass Laws, Africans were harassed and deported to rural areas that later became known as "homelands" and self-governing states. In addition to urban policies and management, the South African apartheid government used its housing policy as an instrument to control the influx of Africans to urban/metropolitan areas. To achieve this purpose, Mabin in Swilling *et al.* (1991:35-44) noted that in the late 1950s until 1984, the State froze all housing development in the African townships. This is the reason why there is a huge housing shortage for the African population in the urban/metropolitan areas. This will be discussed further in Chapter 4.

The critical view of how the rural-urban migration process was controlled and managed in South Africa is not intended to encourage urbanisation, but it is meant to point out

the manner in which it was controlled and managed through racial attitude. The Group Areas Act, by definition, was the spatial system that allocated populations to urban space according to colour. This was part of the urban policies and management that regulated urban planning and development (separate development) during the apartheid era in South Africa. It therefore suggests the positive ways of dealing with rural-urban migration, namely that government should make life in rural areas attractive through incentives. For instance, the government has to address the root causes (i.e. “push-pull” factors), e.g. poverty, unemployment problems, unattractive income and social living conditions in rural areas. This can be done through emphasis on integrated rural development programmes such as an intensification of agricultural production in rural areas. The researcher believes that people will voluntarily go back to rural areas without being forced by laws. It has to be made clear that this does not suggest the replacement of proper management and efficient and effective use of scarce resources in the urban/metropolitan centres by spatial policies. This merely suggests that there should be a balance in development both in urban and rural areas. Rural development is complementary to urban development.

The provision of housing in Zimbabwe has been undertaken by both the private and public sectors. The public sector has been responsible for the provision of most low-income housing in all Zimbabwe's urban centres. Such housing is financed through the National Housing Fund and the housing loan guarantee scheme under which private sector loans to individuals are guaranteed by government. In all publicly funded housing schemes, the Ministry of Public Construction and National Housing encourages beneficiaries to participate in the construction of their houses through aided self-help schemes and co-operatives in order to reduce costs. This has resulted in more people benefiting from the limited public funds available. The Ministry also encourages local authorities to engage in the production of building materials such as bricks, lintels, steel doors and window frames. This approach is encouraged in order to reduce transport costs and overall costs of building materials. It also strengthens local authorities' capacity to implement projects, as well as to create employment.

Despite the involvement of all stakeholders in housing provision, Zimbabwe is still experiencing problems with regard to housing finance. This is demonstrated by the establishment of the new Zimbabwe Building Society (ZBS) in November 1991, to assist with mortgage finance for low-income groups. This shows that housing finance for the "poorest of the poor" is a problem which needs to be addressed.

In the next chapter, the comparison between Tanzania and Zimbabwe will be taken further by applying it to South Africa in general and Khayelitsha in particular. The case study of Khayelitsha will be used to analyse and discuss the issues of housing.

A COMPARISON BETWEEN SOUTH AFRICA IN GENERAL AND KHAYELITSHA IN PARTICULAR WITH TANZANIA AND ZIMBABWE

4. A COMPARISON BETWEEN SOUTH AFRICA IN GENERAL, AND KHAYELITSHA IN PARTICULAR, WITH TANZANIA AND ZIMBABWE

- Urban policies and management
- Urbanisation
- Land acquisition
- Housing and other related issues in general

OBJECTIVES

Emphasising historical root causes and focussing on Khayelitsha to illustrate issues at grass roots level.

4.1 INTRODUCTION

One of the most striking problems in South Africa, is abject poverty. Poverty is most prevalent in the rural and in some parts of urban/metropolitan areas. The Ministry of Welfare and Population Development indicated that the poorest province in South Africa is the Eastern Cape, the former Transkei "homeland" followed, by the KwaZulu/Natal and Northern Province, in the former Venda "homeland". In urban areas, persistent poverty prevails in African townships where former disenfranchised people live. The issue of poverty is discussed more extensively in the next section.

In the previous chapter, housing and development in the urban/metropolitan centres in selected African countries were analysed and discussed. The case studies of Dar es Salaam and Dodoma in Tanzania and Harare in Zimbabwe showed problems relating to housing shortages, lack of basic infrastructure and social services, land unavailability, poverty, and urbanisation, all leading to spontaneous "squatting" and "land invasion". All these related problems are the result of the colonial legacy, poor economic performance, bureaucratic apparatus, mismanagement and corruption (cited in the case of Tanzania) and the deviation from development policy objectives. The methods, strategies and approaches applied by the governments of Tanzania and Zimbabwe have also been explored, and their experience could be useful to South Africa.

This chapter will specifically focus on peri-urban informal settlements of the Western Cape where problems of housing shortages are most prevalent. Since the Western Cape is not isolated from the rest of South Africa, the general overview of the country's developmental problems will be outlined briefly, in comparison with the two case study countries discussed

in Chapter 3. Khayelitsha will be put in perspective as a case study since it is the least developed and fastest growing township in the province.

By focusing on housing problems in informal settlements, the chapter attempts to discuss the challenges faced by public institutions charged with the task of housing delivery. It will look at the problems of land unavailability, housing finance systems and urbanisation as crucial issues affecting housing provision. Before these issues are discussed, it is worthwhile to briefly give background information about South Africa in comparison with the two case studies, Tanzania and Zimbabwe. This will be indicated in tables 4.1 to 4.5 (see p. 94-96).

It is necessary to explain the aim of this Chapter and ask the question why South Africa should be compared with Tanzania and Zimbabwe in spite of its more favourable macro-economic indicators. It will be explained why South Africa can learn from the Tanzanian and Zimbabwean case studies in terms of the link between the variables of this study. Social living conditions in South Africa's rural and peri-urban areas where the African people (the former disenfranchised) live, are appalling and are equal to, if not worse than, Tanzania's and Zimbabwe's level of economic development, in particular in rural and peri-urban areas. In order to prove this point the Gini coefficient will be used.

In the previous Chapter the example of the strategies implemented to alleviate urbanisation in Tanzania and the encouragement of partnership and grassroots level co-operatives for housing provision in Zimbabwe, can be used as a motivation to draw lessons from the experiences of these countries. This background will be used to highlight the housing and development problems in South Africa and to suggest solutions. In this respect, Khayelitsha will be used to illustrate these issues at grassroots level and link them to the social living conditions in the rural areas, as shown in Figure 4.1 (see p.98).

GENERAL BACKGROUND INFORMATION**Table 4.1: A Broad Overview of Basic Indicators**

	WORLD	AFRICA	SOUTHERN AFRICA
Surface area ('000 km ²)	136 000,00	30 328,70	10 446,50
Population (million, 1995)	5 712,00	725,00	223,60
Urbanisation (% of population, 1995)	48,00	37,00	40,00
Total fertility rate (1992)	3,10	5,70	5,60
Life expectancy (years, 1992)	66,00	54,00	54,00
Infant mortality (per 1 000 live births, 1992)	60,00	89,00	87,00
Crude birth rate (per 1 000 population, 1992)	25,00	41,00	41,00
Crude death rate (per 1 000 population, 1992)	9,00	14,00	13,00
Country credit rating (% , March 1995)	38,10	21,50	25,00
Total GNP (\$ billion, 1993)	24	433,00	169,00
Composition of GDP (% , 1992):	257,00		
n Agriculture	-	19,00	29,00
n Industry (including mining)	-	34,00	29,00
n Services	-	47,00	42,00

Source: Africa Institute, ESKOM, Institutional Investor, quoted by Du Toit & Jacobs (1995:2)

Table 4.2: Basic Indicators for Selected Case Study Countries

	SOUTH AFRICA	TANZANIA	ZIMBABWE
Surface area ('000 km ²)	1 220,90	945,10	390,80
Coastline (km)	2 968,00	1 424,00	landlocked
Population (million, 1995)	43,50	28,50	11,20
Urbanisation (% of population, 1995)	62,00	40,00	31,00
Total fertility rate (1992)	4,10	6,25 (1990-1995)	4,55 (1990-1995)
Life expectancy (year, 1992)	63,00	52,00 (1993)	56,00
Infant mortality rate (per 1 000 live births, 1992)	53,00	84,00 (1993)	67,00 (1993)
Adult illiteracy rate (% 1990)	39,00	-	33 (1993-1995)
Crude birth rate (per 1 000 population, 1992)	31,00	45,00 (1990-1995)	34,3 (1990-1995)
Crude death rate (per 1 000 population, 1992)	9,00	14,90 (1990-1995)	8,20 (1990-1995)
Country credit rating (% , March 1995)	42,50	-	-
Total GNP (\$ billion, 1993)	118 057,00	2 521,00	5 756,00
GNP per capita (US \$, 1993)	2 980,00	100,00	560,00
HDI/World Rank (1992)	0,650/930	0,306/148	0,474/121
Composition of GDP (% , 1991):			
n Agriculture	4,00	62,00	16,00
n Arable Land (% , 1991)	11,00	6,00	7,00
n Industry (including mining)	42,00	12,00	41,00
n Services	54,00	26,00	43,00

Source: Africa Institute, McKay *et al.* (1995:11)

Table 4.3: Indicators of Economic Growth and Development

COUNTRY	TOTAL GNP \$ MILLION 1993	CLASSIFICATION OF ECONOMIES BY INCOME – 1995
South Africa	118 057	Upper-middle-income
Tanzania	2 521	Low-income
Zimbabwe	5 756	Low-income
Low-income: \$695 or less; lower-middle-income, \$696 - \$2 785; and upper-middle-income, \$2 786 - \$8 625 (1993 GNP per capita in US \$).		

Source: Africa Institute, World Bank, quoted by Du Toit & Jacobs (1995:14)

Table 4.4: Education and Health Indicators

Country	Mean number of years schooling of population over age 25 Total	Population per doctor 1990
South Africa	3,9	1 750
Tanzania	2,0	25 000
Zimbabwe	3,1	7 100

Source: Africa Institute, World Bank, quoted by Du Toit & Jacobs (1995:10)

Table 4.5: Foreign Debt

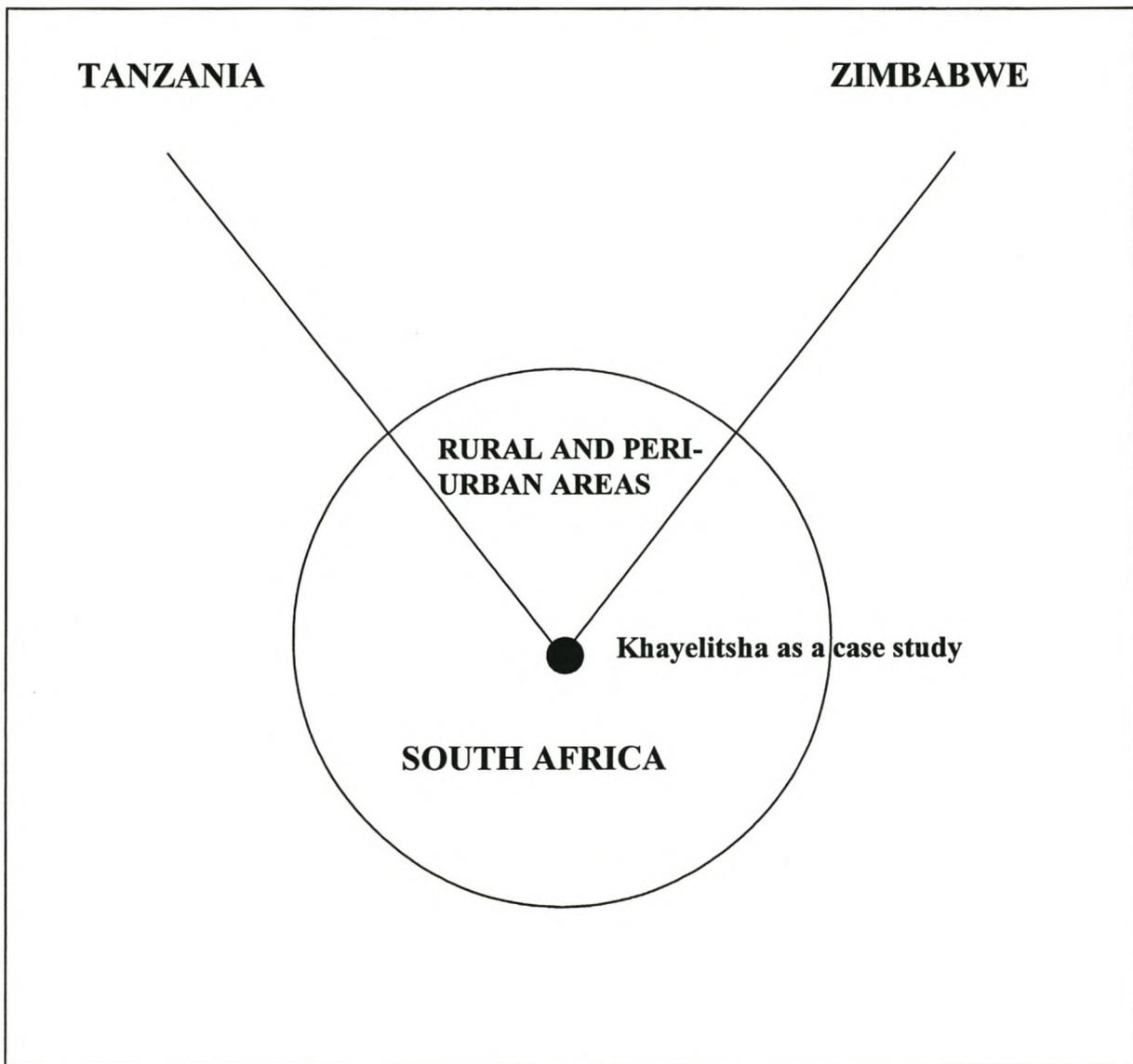
FOREIGN DEBT (1993)	
Country	Debt/GNP %
South Africa	21,6
Tanzania	298,4
Zimbabwe	78,5

Source: Africa Institute, ADB, IMF, SARB, World Bank, and Institutional Investor quoted by Du Toit & Jacobs (1995:28)

4.2 THE CASE OF SOUTH AFRICA

South Africa became a democratic country after the 27 April 1994 general election. This was the final outcome of the struggle by liberation movements for democracy. Geographically, it is a country with a total surface area of 1 220,9 square kilometres and a 2 968 kilometre coastline. Its population size is 43,5 million according to the January 1995 estimate (Du Toit and Jacobs, 1995:4,8). There are eleven official languages, and the unit of currency is Rand divided into 100 cents. South Africa practices a mixed economic system. Although the South African government is in the process of privatising public enterprises and other State assets, it cannot be said that it practises a purely free market system. It is also important to highlight that there is opposition from Trade Union Federations such as the Congress of South African Trade Unions (COSATU), National Council for Trade Unions (NACTU) and other independent unions against privatisation. According to economic classification (1993 GNP per capita in US \$) South Africa is an upper-middle-income developing country (Africa Institute and World Bank cited in Du Toit and Jacobs 1995:14).

The historical pattern of development in South Africa is similar to that of Tanzania and Zimbabwe (all are former British colonies). There are similarities in policies that regulated urbanisation, housing and urban planning and development during the colonial/apartheid era, as indicated previously. The imposition of tax systems on individual rural households was used as an instrument to create wage-labourers (rural-urban migration) during industrialisation in the major cities. This was accompanied by land-ownership policies. In the urban/metropolitan areas, restrictive legislative laws regulating housing development for African population were used ("slum" clearance in both Tanzania and Zimbabwe, and Group Areas Act with forced removals in South Africa). Today, the governments of these countries are faced with similar colonial/apartheid policy legacies. Housing and other related development challenges are threatening the urban/metropolitan centres' capacity to accommodate the needs of a diverse and growing population.

Figure 4.1: A Comparative Perspective

4.2.1 Poverty and Other Development Problems

With regard to the housing problem in South Africa's urban/metropolitan centres, poverty and other related development problems have a bearing on this study. For instance, the vast majority of households in African townships have incomes which are below subsistence levels (World Bank/SALDRU, 1995:3-4 and SABC News, 23/04/96). The scenario of abject poverty was acknowledged by the former Director-General of the Ministry of National Housing, Mr Cobbett on the SABC (21/04/96). He pointed out that the poverty of the

majority of the population, especially in the African townships, is the number one problem faced by the Ministry in implementing the Housing Subsidy Scheme. It is even worse for the households that have incomes of less than R801.00 per month, the "poorest of the poor".

Participant observation by the author has shown that this category is composed of people whose only source of income is often informal sector earning activities, which are characterised by low or unstable income. Others are unemployed, therefore they have no income at all. They are assisted by relatives or by their extended families for survival. There is a correlation between the housing problem and the cost of housing. Lack of income is an important contributing factor to the housing problem. In essence, the income is the weighting element that indicates the real purchasing power of the households or home-owners. As indicated, abject poverty in rural areas forces people to migrate to urban/metropolitan centres in anticipation of a better quality of life. The cities find themselves unable to absorb and cater for all the migrants from rural areas, due to urban resource constraints.

The problem of poverty outlined in the introduction is underlined by the report on key indicators of poverty in South Africa (World Bank/SALDRU, 1995: 3-4). The main findings are:

- among comparable middle-income developing countries, South Africa has one of the worst records for social indicators (health, education, safe water, and fertility) and for income inequality. Its social indicators are not very different from those of some low-income sub-Saharan African countries. Though the economic performance of South Africa outstrips that of Tanzania and Zimbabwe, due to the comparative nature envisaged it was decided to confine the study to these two. In other words, it was not necessary to include the other middle-income developing countries in the tables, because it would be out of context of this study. Gini coefficients of the above countries are used as evidence (see subsequent sections of this chapter);
- poverty in South Africa has a strong race dimension. Nearly 95% of South Africa's poor are African; 5% are Coloured and less than 1% are Indian or

White. Africans have nearly twice the unemployment rate (38%) of Coloureds (21%), more than three times the unemployment rate of Indians (11%), and nearly ten times the unemployment rate of Whites (4%);

- poverty in South Africa has a strong rural dimension. About 75% of South Africa's poor live in rural areas, concentrated in the former "homelands". In addition, the burden of poverty is largest in rural areas. Compared to the poor in urban/metropolitan areas, the rural poor suffer from higher unemployment rates, lower access to services such as water and electricity, as well as lower access to productive resources (Wilson and Ramphele, 1989:4-5);
- poverty in South Africa has a strong regional dimension. Nearly two thirds of South Africa's poor live in three provinces: the Eastern Cape (24%), KwaZulu/Natal (21%) and the Northern Province (18%);
- poverty in South Africa has a strong employment dimension. Unemployment rates among the poor stand at 50%, compared to only 4% among the richest 20%. In addition, many of the poor are sidelined due to illness, disability, backlog in education, or domestic responsibilities/duties. Less than 30% of poor working-age adults are working. As a result, 40% of poor households and 50% of ultra-poor households are dependent on pensions (especially for the disabled and the aged) and remittances as their primary source of income. Even the poor who are employed earn less than one tenth of the richer (top 20%) households. All groups report that jobs are the top priority and for the rural poor, piped water is almost as high a priority; and
- poverty in South Africa has a strong gender and age dimension. Households headed by females have a 50% higher poverty rate than those headed by males. A higher proportion of working-age women live in poor households, and a higher proportion of the poor elderly are women (61%). In addition, women suffer from substantially higher unemployment rates than men (35% vs 25%) and suffer particularly from the lack of access to services in rural areas. As a result, poor rural women spend more than four hours a day

fetching water and wood. Finally, over 45% of the poor are children below the age of 16 years (World Bank/SALDRU, 1995:3-4).

The Farmworkers Research and Resource Project has reported its findings on labour issues. Domestic workers earn R600 a month, which is less than the minimum living level of R850 a month to alleviate poverty. The World Bank found that 10% of South African workers earn less than R250 a month. In this respect, Sam Shilowa, former COSATU General-Secretary complained that domestic workers work 12 to 15 hours every day, and cash wages for women farmworkers are R110 and R150 for men per month. He also called for a minimum wage of R600 for ordinary workers in the industry (Farmworkers Research and Resource Project quoted by the Cape Times, November 23, 1995:9).

Studies on rural poverty and development by May and Rankin (1991) and Budlender (1991) found out that there are significant urban/rural differences in access to resources and standard of living. The centre versus periphery disparity, indicated by Theron and Graaff (1989), bears testimony to the history of apartheid and processes of uneven development, where rural areas are underdeveloped because of, inter alia, underresourced and ill-equipped educational and training facilities, fewer income-earning opportunities, an absence of basic infrastructure (piped water supply and sanitation) and land constraints. Hence there is, as stated elsewhere, a major factor of politically introduced urban "pull" and rural "push" in favour of large-scale urbanisation.

Apartheid has left a legacy of poverty and inequality in South Africa. In spite of the wealth of the country, a large share of the population has not been able to benefit from its resources (World Bank/SALDRU, 1995:4). The report states that a particular problem in South Africa has been the inequality in access to jobs, services and economic resources for the poor, as well as other opportunities to escape poverty, afforded inter alia through education, skills training, and better health. Poverty and employment status are closely linked. Most of the poor do not have jobs, and those who do, work for low wages - often far away from their families. This makes the poor dependent on pensions and remittances, and hence vulnerable. Many of the poor live in sub-standard housing; most have no access to piped water, electricity or modern sanitation. As a result, they are afflicted with diseases of poverty, and have to spend hours every day fetching water and wood. These complex problems combined

make it difficult for the poor to improve their economic position and escape poverty - especially since apartheid also resulted in the separation and disintegration of families and communities. Addressing the mentioned problems is the challenge the Government faces through the design and implementation of poverty reduction programmes. The government also faces the challenge imposed by the growing rate of urbanisation and urban housing problems.

The root causes of the above problems are explained by Giliomee and Schlemmer (1985:6-7) and Mabin in Swilling *et al.* (1991: xv & 35-44). Mabin criticised the previous government's apartheid urban model (Group Areas pattern) in planning and housing provision. The apartheid urban model was characterised by the pattern of peripheral, segregated African residential areas and the broad allocation of segregated, remote land to African urban residents.

Due to the development of the urban economy, the State was faced with internal population growth and inward migration to the cities. This resulted in an increase in the size of the urban population. The lack of State development intervention in African areas (lack of new house construction) brought about overcrowding. The State ignored or downplayed this problem. Instead of expanding housing available in the "non-reserve" urban environment, politicians and planners were more concerned with upmarket urban expansion and intensification than with the housing of the mainly poor African masses. They did not realise that the African urbanisation was inevitable (Mabin in Swilling *et al.*, 1991:35-38).

The State's refusal to build houses in 'sufficient numbers' to meet needs, and the exclusion of "illegals" from official tenantry in formal townships, forced people to build for themselves (e.g. mushrooming of areas such as Crossroads). This is also reflected in the growth of "shack populations" in backyards and on open spaces in and around formal townships (see Cole, 1987; Black Sash and The Surplus Peoples Project unpublished booklets). As in Tanzania during the colonial era and Zimbabwe's pre- and post-Independence periods of "slum" clearance, the South African apartheid government's main response to informal settlement was to demolish or bulldoze them. The cases of Marabastad, Kroonstad, Werkgenot, Unibell and Modderdam are cited as examples of this oppressive action (Mabin

in Swilling *et al.*, 1991:38; and also see Cole, 1987). The State also reduced funds available to local authorities for building houses.

In view of the above analysis of the apartheid urban model, it has to be pointed out that the urban policies and management style failed to deal with African self-imposed urbanisation by land evictions, Land Acts, and the migrant labour system coupled with imposition of the tax system. The growing urban squatting/informal settlements are a result of the manifestation of this system. The present government finds itself faced with these challenges.

At the beginning of this chapter, it was stated that South Africa has an estimated population of 43,5 million. Preliminary estimates of the size of the South African population, based on the population census conducted in October 1996, were issued by the Central Statistical Service (CSS) in July 1997. These estimates indicate that there are fewer people (37,9 million) in the country, and that urbanisation (55%) has been more rapid than was previously thought (Orkin and Hirschowitz, 1997:7). It is also said that the number of people, the number of households, and the percentages could be modified later, if necessary, after the final results of more complete information about household size is available from Census '96.

With reference to Table 4.2: Basic Social Indicators, (McCarthy *et al.*, 1994:125 and World Bank/SALDRU, 1995:3-4), the report by the CSS agrees that South Africa fares badly in international comparisons on social indicators, such as life expectancy, infant mortality and illiteracy. The reason is that incomes in South Africa are unevenly distributed by race, gender and urban/non-urban areas of residence. The wealthy minority in the community raises the average income, while the social indicators reflect the poverty of the majority of the population. The findings based on the 1995 income and expenditure survey (IES) indicate the extent of these inequalities. In addition, according to CSS (1996), access to basic services, such as clean water and sanitation, is unequal (Orkin and Hirschowitz, 1997:1,9). In order to strengthen the argument of gross inequalities in income in South Africa, the average annual household income in 1995 by race is summarised as follows:

- among African-headed households, the average annual household income was R23 000;
- among "Coloured"-headed households, it increased to R32 000;
- among Indian-headed households, it increased further to R71 000; and

- among White-headed households, it increased even further to R103 000.

In all provinces, African households have the lowest average annual income, followed by "Coloured"-headed households. White-headed households have the highest incomes. Also, average annual household income varies depending on whether the household is in an urban or a non-urban area. Households in urban areas have more than double the average annual income (R55 000) of those in non-urban areas (R23 000). Average annual household income also varies according to type of dwelling, with those living in informal (R15 000) and traditional dwellings (R14 000) having a lower average annual income than those living in formal houses (R52 000). In addition, average annual household income varies according to the number of people in the household, e.g.

- households consisting of only one person have the lowest average incomes;
- this average tends to increase to reach its highest level (R51 000) in those households consisting of four people;
- then it starts to decrease, reaching another low level of only R28 000 on average per annum, for households consisting of eight or more people; and
- households where the head is in a managerial, professional, technical or administrative occupation have the highest average annual incomes (R101 000), but then there is a steep decline in annual average income among those households in which the head is in a clerical or sales position (R41 000) and an even further decline among those households where the head is a production, transport or services worker (R38 000) (Orkin and Horschowitz, 1997:9-13). Table 4.6 shows the above-mentioned differences (see p.106).

4.2.2 Demographic Developments

It is acknowledged that most of the urban problems in Africa's large cities have been caused by rapidly urban growth. The problem of high urban population growth rate is the result of both the natural growth and rural-urban migration. This is one of the paradoxes of housing in African cities, in that rapid urbanisation results in a number of problems in urban areas (Zinyama *et al.*, 1993:25), although positively it results in economic development and growth in urban/metropolitan areas. Positive and negative aspects of urbanisation are conceived simultaneously, in a state of contention (Stacey, 1996:66). For instance, the increasing of

spontaneous "squatting" or informal settlements is a consequence of the inability of urban areas or large cities to absorb and provide adequate shelter for all new arrivals from rural areas with high hopes or expectations of obtaining better employment opportunities, better paid jobs, better education and health facilities, better community facilities and amenities, and better social living conditions, which all constitute a better life.

It has been noted that urban centres show signs of inability to absorb and provide adequate shelter for all newcomers, because urban resources and land availability for the provision of adequate housing and essential services cannot always keep up with the fast growth rate of the urban population. This is the heart of the housing and land unavailability problem in South Africa's urban/metropolitan centres. One of the typical examples of this problem has often occurred around Alexandra township in the Gauteng Province (SABC News, May/June 1996), where people put their shacks where they see an open space of land.

In line with the above the demographic developments in South Africa's urban/metropolitan centres demonstrate causal relationship between the policies that regulated urbanisation of Africans in the past and their negative effects, i.e. urban developmental problems such as housing and its related issues. This can be attributed to the "push-pull" factors of urbanisation.

Acquaye and Asiama (1986:128) pointed out that population growth, particularly in urban locations, exceeds economic growth. The result is inability on the part of African governments to provide the resources such as housing. It appears that the urban housing problem will continue to get worse unless solutions are found to the urban population problem. In this regard, Acquaye and Asiama suggested that it is necessary to develop concurrently with any policies aimed at helping these urban poor, an effective and workable regional planning policy to restrict, in a positive way, the continuing tide of migrants from the rural to urban environment. It should be clarified which kind of restrictive measures, so that they could not be confused with the past restrictive measures, which had a negative impact on migration and urbanisation.

The suggested restrictive measures could be related to creating incentives by making rural social life more attractive by putting high priority on integrated rural development. This is

likely to contain the rural population. Other measures which need to be considered in order to reduce pressure on large cities, for example, are policies of decentralising industry, employment and administrative institutions to smaller towns of rural areas (Dewar & Watson, 1986:12-3 and Fair, 1984:34). This strategy could reduce the urbanised population in large

Table 4.6: Average Annual Household Income in Various Sub-groups of the Population

Sub-group	Average annual household income R 000
Type of area of residence:	
Urban	55
Non-Urban	23
Type of dwelling:	
House	52
Informal dwelling	15
Traditional dwelling	14
Household size:	
One person	25
Two people	49
Three people	47
Four people	51
Five people	46
Six people	37
Seven people	30
Eight or more people	28
Gender of head of household:	
Male	48
Female	25
Occupation of head of household:	
Management/prof./tech./admin.	101
Clerical and sales	41
Production/transport/services	38
Pensioners	23

Source: Central Statistical Service (1997:13)

urban centres. For instance, if one looks at the growth rates of urbanised population in selected countries of Southern Africa, one might conclude by saying these countries will face enormous urban problems in terms of housing provision and essential infrastructural services by the turn of the century. Table 4.7 and 4.8 provide the growth rates.

Population and urbanisation challenges can be effectively addressed by integrated rural development. Strategies on integrated rural development include rural infrastructural development and agricultural intensification through appropriate technology, agro-industries, land schemes, co-operatives, and other infrastructure provisions typical of an accelerated rural development approach. In addition to these approaches, policies of decentralising industry (including construction and manufacturing industry), employment and administrative institutions to small towns of rural areas have to be considered, as was suggested in the previous paragraph.

According to World Bank and SALDRU's report (1995:9-11), it is argued that most of the poor live in rural areas, although only about 53% of the population live there. Moreover, rural areas have much higher poverty rates than urban/metropolitan areas. In fact, about 74% of the rural population are poor, compared to about 41% of the urban and 20% of the metropolitan population. Some of the urban poor are not permanent residents of urban/metropolitan areas. They are rural-based or have a "rural orientation" according to anthropologists and they often visit their rural families mostly during December holidays (Gugler, 1996: 5-7).

The World Bank/SALDRU's report argues that South Africa fares poorly against comparable middle-income countries. If its indicators were restricted to include only the African population, black South Africa would do worse in terms of most social indicators than a much poorer country like Kenya. Given the content of this chapter, it is not necessary to dwell on the complexities of poverty levels in the whole of South Africa. It should be mentioned that currently the Gini co-efficient of South Africa is around 0,60 compared with an average of 0,37 for industrial countries (Du Toit & Falkena, 1994/95 and World Bank/SALDRU, 1995:7). South Africa's Gini co-efficient is close to that of Kenya, which is 0,57. According to Chen *et al.* (1994) quoting World Bank Paper #1146 (1993) South Africa's Gini co-efficient is 0,55 while for Tanzania it is 0,59 and for Zimbabwe it is 0,57. In line with these figures, the main report on the composition and persistence of poverty in rural South Africa (1995:22) argues that South Africa's Gini co-efficient for the entire population ranges between 0,50 and 0,58.

It appears that there is no exact figure for South Africa's Gini co-efficient, as evidenced by the different figures given above. For instance, the CSS states that in 1995 the Gini co-efficient in the whole South Africa was 0,59 (Orkin & Hirschowitz, 1997:28). Other study findings reported that it is ranging between 0,55 and 0,60 (World Bank Paper, 1993). The Gini co-efficient is, however, still a useful tool to measure income or wealth distribution in a country (Orkin & Hirschowitz, 1997:26).

Turning to the challenges of housing and urban problems in general, it is necessary to confine the discussion to the Western Cape in general and Khayelitsha in particular. This section will link the problems of the Eastern Cape, which are causing oscillating migration. The study assumes that oscillating migration is the major contributing factor to the urban/metropolitan housing shortages and "uncontrolled" urban growth that pose the challenges to urban authorities, planners and managers.

4.2.3 The Poverty Links Between the Western Cape and Eastern Cape Province

- **The Eastern Cape**

The Eastern Cape is largely rural, occupying 14% of the country's land. It is estimated that 16% of the South African population lives in this province, making it the third largest. Approximately 65% of people in this province live in non-urban areas. The vast majority of those living in the Eastern Cape (85%) are African (Orkin and Hirschowitz, 1997:10).

- **The Western Cape**

The Western Cape, containing approximately 11% of the population, is overwhelmingly urbanised, i.e. 86% of its people live in urban areas. Its essentially urban characteristic distinguishes it from the other provinces (Eastern Cape, Northern Province, KwaZulu/Natal, etc.). The province is spread over 11% of the land of South Africa. As in the Northern Cape, the majority of people living in the province (57%) are "Coloured", while relatively few in the province (19%) are African (Orkin and Hirschowitz, 1997:11).

Table 4.7: Population and Urbanisation Trends

COUNTRY	1960		1995		2000		2010	
	Number (million)	% Urban	Number (million)	% Urban	Number (million)	% Urban	Number (million)	% Urban
South Africa	16,00	47	43,50	62	48,40	65	57,50	73
Tanzania	10,20	5	28,50	40	33,30	46	44,50	54
Zimbabwe	3,60	13	11,20	31	12,50	35	14,80	43

Source: Africa Institute (unpublished information)

Table 4.8: Population of Major Cities (1995)

CITY	COUNTRY	POPULATION '000
Johannesburg	South Africa	2 500
Cape Town	South Africa	2 400
Durban	South Africa	1 800
Pretoria	South Africa	1 200
PE/Uitenhage	South Africa	950
Dar es Salaam	Tanzania	2 300
Dodoma	Tanzania	350
Harare	Zimbabwe	1 700
Bulawayo	Zimbabwe	750

Source: Africa Institute (unpublished information)

Johannesburg (including Randburg, Sandton and Soweto)

Cape Town (including Cape Peninsula and Cape Flats)

Durban (including Kwamashu, Pinetown and Umlazi)

In terms of average household income, the Eastern Cape has the lowest annual average income of R24 000, while the Western Cape is said to be the second highest (R53 000) after Gauteng (R71 000) (Orkin and Hirschowitz, 1997:12).

Taking into account the problems of oscillating migration, especially in the Western Cape, the Eastern Cape is contributing to the urban/metropolitan problems including housing shortages. For example, the World Bank/SALDRU (1995:10-11) shows that the Eastern

Cape and the Northern Province have the highest poverty rates (78% and 77% respectively). In these provinces, more than three-quarters of the population are poor. In contrast, the poverty rate in the Western Cape is only 23%. Again, the question of oscillating migration has to be taken into account.

It is argued that the high poverty rates in the Eastern Cape and the Northern Province are closely linked to the high poverty rates in the former "homelands". The poverty rates in all former "homelands" (with the exception of KwaNdebele and KaNgwane) exceed 60%. The poorest former "homeland" is the Transkei with a poverty rate of over 92%, while Ciskei has a poverty rate of 73% (World Bank/SALDRU, 1995:11).

This is not surprising because the "homelands" have been converted into "reserves" of migrant labour by the previous government. This has resulted in under-development in rural areas. For instance, Muller (1987) argues that previous successive governments were biased in favour of urban areas. "Core" interests have been dominant in controlling the development process in the periphery through biases in state revenue and expenditure patterns and the conversion of the "reserves" into semi-proletarian labour exporting areas (Muller, 1987:20). The result of combined policies of population settlement control and distorted, or blocked, development, has been the characteristic features of rural stagnation and decline, and dependence on migrant labour. As indicated, rural families were entirely dependent on remittances as their source of income for survival.

Tables 4.9 to 4.11 indicate poverty rates, share and unemployment rate according to different "race" groupings. The reason for this lies in the uneven distribution of income and development levels.

The overall unemployment rate of South Africa is 30%, while the CSS October 1994 Household Survey found an unemployment rate of 33% (World Bank/SALDRU, 1995:14). In the Western Cape, unemployment is estimated at 17,3 per cent. Khayelitsha has the highest unemployment, due to its high population (Ministry of Economic Affairs & RDP, March 1997:3). The problems of poverty, income inequalities, unemployment and other development issues have an effect on the implementation of housing subsidy schemes that are meant to alleviate the problem of housing, especially for the low-income earners. For

instance, the Ministry of Economic Affairs and RDP pointed out that if informal dwellings and backyard shacks are included in the total housing backlog (i.e. are not regarded as a type of housing) the Western Cape's housing deficit could be as high as 300 000 units, to which should be added about 23 000 units per year to accommodate net population growth (Ministry of Economic Affairs and RDP, 1997:4). (For the purpose of this study the housing problem will be discussed by using Khayelitsha as a case study, not the whole Western Cape). Another important aspect which needs to be analysed, is the economic infrastructure and the way it affects development socially and culturally.

Table 4.9: Poverty Rates by "Race" (%)

"RACE"	TOTAL (%)
African	64,9%
"Coloured"	32,6%
Indian	2,5%
White	0,7%

Table 4.10: Poverty Share by "Race" (%)

"RACE"	TOTAL (%)
African	95%
"Coloured"	5%
Indian or White	Less than %

Table 4.11: Unemployment Rates by "Race", Gender and Location

	TOTAL (%)
RACE:	
African	38,3%
"Coloured"	20,8%
Indian	11,3%
White	4,3%
GENDER:	
Female	35,1%
Male	25,5%
LOCATION:	
Rural	39,7%
Urban	25,6%
Metropolitan	21,3%
TOTAL (%)	29,9%

Source: World Bank/SALDRU (1995:14)

4.2.4 Economic Infrastructure

A country's economic infrastructure is the backbone of its industrial development and incorporates all human-made structures (transport, water, electricity and communication systems) which facilitate economic activity (Du Toit & Jacobs, 1995:12). This is still lacking, especially in rural areas of South Africa, and is the reason why rural areas are faced with the exodus of young rural people (migration) to the large cities to seek basic needs. The economic infrastructure is vital for the suggested industrial decentralisation programmes to create jobs in small towns of rural areas (Fair, 1984:34).

Having given a brief overview of South Africa's basic social and economic indicators, the next section of the chapter consists of a discussion on challenges facing the Western Cape, in particular informal settlements. If there is no suitable housing available, people meet their needs by using any kind of material to erect structures in which to live. Unserviced informal settlements ("temporals") are outcomes of such desperation. The research will use Khayelitsha as a case study.

4.3 KHAYELITSHA IN PERSPECTIVE

4.3.1 Historical Review of Khayelitsha

Africans have for many decades been regarded as "foreigners" in historically so-called White designated urban areas such as the Cape Peninsula. In the Cape Peninsula, Africans were compartmentalised in the townships of Langa, Gugulethu and Nyanga. These overcrowded townships gave rise to the first "squatter" settlement for Africans in the Cape Peninsula, Crossroads, which subsequently became an international symbol of African poverty in South Africa (Khayelitsha Community Profile, 1992:3). Residents of Crossroads resisted attempts of forced removal by the previous regime. Eventually, in the early 1980s, the apartheid government decided to develop a new residential area, called Khayelitsha, to house the "legal" squatters living in Crossroads. Crossroads residents were, however, never consulted in the planning and development of Khayelitsha (see Weekend Argus, March 31 1984; Cape Argus, 20 March & 12 April 1984; Cole, 1987; Black Sash and The Surplus Peoples Project unpublished booklets).

The development of Khayelitsha was first announced in Parliament at the end of March 1983, by Piet Koornhof, the then Minister of Cooperation and Development (see Cape Times, 21 March 1984; Cape Argus, 28 March 1984; Seekings *et al.*, 1990 and Cook, 1986 quoted in Smith 1992). This announcement came as a surprise to African residents, because since 1955 only a limited number of Africans had had legal rights to remain in the Western Cape and from 1966 a deliberate policy of exclusion and harassment of residents was implemented. Cook argues that it was not clear whether Khayelitsha heralded a change in government policy or whether it was a pragmatic response to gross overcrowding, unsuccessful removals and escalating violence. In this regard, Seeking *et al.* argued that the need for Khayelitsha arose out of housing shortages for Africans in the Western Cape. This was evidenced by the proliferation of "squatting" in the Crossroads and KTC areas. The then deputy Minister of Cooperation and Development, George Morrison, at a National Party Congress in George in September 1983, described Crossroads as a symbol of provocation and blackmail of the Government, "... we want to destroy that symbol at all costs" (Seekings *et al.*, 1990:9-10). Residents of Crossroads and KTC had to be removed to Khayelitsha.

The apartheid government was still aimed at continuing to implement its influx control measures and to ensure that all "legal" African people in the Cape Peninsula are moved into a single more "controllable" area (see Cape Argus, 27 April 1984 and Cape Times, 31 March 1984). This is how housing policy in the Western Cape was manipulated and used. The Western Cape applied different policy, which was never applied in any other Provinces, e.g. "Coloured" Labour Preference Policy introduced by Dr Eiselen in 1955 (see Weekend Argus, 22 September 1984). The apartheid government enforced Homeland Policy and used divide and rule strategy by dividing people on the basis of colour ("Coloureds" and Blacks). Among Blacks or Africans, people were divided into "illegals" and "legals" so as to disunite them (see Cole, 1987; Harrison & McQueen, 1992; and Black Sash and The Surplus Peoples Project unpublished booklets).

The night of 17 May 1986 saw the fulfilment of George Morrison's statement quoted above. The researcher himself narrowly escaped the fighting groups (Comrades and Witdoeke), who fought until the morning of Sunday, 18 May 1986. The fighting occurred because of infiltration of the community to achieve the aim of forcing the people of Crossroads to move to Khayelitsha. Crossroads was said to be a threat to the then apartheid regime. After a long

period of resistance, Crossroads residents became divided over the issue of moving into Khayelitsha. There was a belief that some of their leaders were working for the National Party (NP) government within the community convincing people to move, e.g. leaders like Hoza and Gobingca who later became members of the NP. Many shacks were destroyed by fire and many people lost their lives. The fighting was not limited to Crossroads but spread to KTC in June, where shacks were also burnt and many lives lost. This was described as the most brutal destruction and forced removal of squatter communities in this county's history (see Cole, 1987; Black Sash and The Surplus Peoples Project unpublished booklets).

Geographically, Khayelitsha is situated 35 kilometres from the centre of Cape Town on the white dunes of the Cape Flats. It is bordered by the N2 highway to the north and the False Bay coast to the south, with Mitchell's Plain to the west (Dewar and Watson, 1984:3; Seekings et al, 1990:8 and Khayelitsha Community Profile, 1992:3). The initial intention was that all Africans "legally" in the Cape Town and Stellenbosch areas would be moved to one "controllable" place, Khayelitsha. It was announced as being a "new model city". The African townships of Langa, Gugulethu, Nyanga, Mfuleni and Khayamandi would then be handed over to so-called Coloured people. The "illegals" would be sorted out and sent to their "place of origin" or to another place decided by the government (see Cape Argus, 1 December 1983; Cape Argus, 17 July 1984; Cole, 1987; Black Sash and The Surplus Peoples Project unpublished booklets).

The first people to move into Khayelitsha were from KTC, in June 1983, with all living in temporary fletcher tin huts (Cape Argus, 12 August 1983:5 and Seekings et al, 1990:10). Seekings et al, further pointed out that the first houses in Khayelitsha were intended for "legal" residents of Crossroads whilst "illegal" residents would be removed to the Transkei and Ciskei when the area was cleared. Later, houses would be provided for people living in backyard shacks in the formal townships. With this in mind a 3 220 hectare site was cleared and building started on the first of four towns, each comprising four villages housing 30 000 people in 25-32 square metre core houses on 160 square metre plots. Included was space for higher income private housing, land for educational and social services (but more for industry), a central area, a spinal green heartland and ultimately a rail link to Cape Town (Smith, 1992:125).

A site and service scheme commenced at Site C, followed by "higher standard" informal housing at Site B under 99-year leasehold (Dellatola, 1987, quoted in Smith 1992:127). By October 1985, 5 000 core houses had been rented to 13 000 Africans "legally" in Cape Town while 8 300 "squatter" families from Crossroads occupied 4 150 site and service plots. In 1986 the private sector became partially involved when government encouraged firms to build houses or hostel accommodation for employees (Cape Argus, 14 March 1984:1 and Smith, 1992:125).

As can be seen from the above, Khayelitsha was developed in an exclusive manner by the National Party government without consulting the people concerned (see Cape Argus, 20 March, 13 July & 3 October 1984 and Cape Times, 11 August and 2 & 6 October 1984). This partly explains why the people of Crossroads resisted government attempts to evict them and move them to Khayelitsha.

4.3.2 Institutions

With the inception of Regional Services Councils (RSCs) in 1987, Khayelitsha became a single representative body separate from other African areas in Cape Town. However, the Khayelitsha Local Authority did not reflect the citizens in the area, for example, the town clerk was White. White attitudes towards Khayelitsha and its residents were reflected in the anonymity of the names commonly used by officials. For instance, officials referred to areas in terms of numbers, for example, Town 2 Village 1 instead of Mandela Park; Village 3 instead of Ekuphumleni. Neighbourhoods were simply listed alphabetically as sectors, and street names kept to a minimum.

The Lingeletu West Town Council, RSCs and the then Mayor of Khayelitsha, were accused of being patronising, a lack of planning, failing to respond to local grievances and that they were indirectly associated with violence and crime by political activists and community organisations, e.g. Civic associations in particular, the South African National Civic Organisation (SANCO) (see also Smith, 1992:131). A problem was the question of a legitimate authority, which is the essential foundation of any democratic public institution.

4.3.3 Housing Conditions In Khayelitsha

In analysing and understanding the housing conditions in Khayelitsha, it becomes clear, as argued in the theoretical parts of this study, that different socio-economic and political factors impact on each other. For example, unemployment affects the affordability of social services even if low service charges are instituted. The next section examines housing conditions in Khayelitsha, housing standards and the quality of building materials.

4.3.3.1 Formal Public Housing

Poor conditions are associated, inter alia, with the problem of size of the “starter-core” houses built by the previous government (see Cape Argus, 21 September 1984 and Mr. Ngcuka’s explanation on “starter-core” houses concept in Appendix 4). According to Cook (1986:127) these “starter-core” houses reflect a monotonous sprawl of uniformly low-quality 27,8 square metre houses. These houses extend from Section A to Section J in Khayelitsha and in Section Y in Site B (a small portion of core houses next to the Nonkqubela Station). These houses are very small, overcrowded, have no ceilings and their walls are ventilated like shacks because they are unplastered, thus making them damp during the winter months or whenever it rains. Two-roomed core houses at the time were mostly non-electrified, with the average number of occupants ranging between six and ten in these less than 30 square metre houses. According to Smith’s (1992:128) study more than half of the households interviewed felt that the houses were below standard and should therefore be upgraded by the state.

With regard to electricity supply, most households at the time used gas for cooking and heating water and motor vehicle batteries for TV and Hi-fi sets. In an effort to encourage electrification a limited supply was offered to residents who were unable to afford the full cost of wiring their houses. A low-cost solar water heater appropriate to Khayelitsha conditions was developed, but at a cost of R1 200, many households were effectively ruled out. House rentals, service charges and mortgage bonds were also problematic in Khayelitsha. Although rentals range from R20 and R23 per month and included municipal services, high levels of arrears and defaults were reported which probably reflected an inability to pay rather than a boycott (Smith, 1992:128). Regarding the issue of mortgage

bonds, Smith (1992) argues that only approximately 14% of houses on offer were sold by 1990, primarily because the R560 required to qualify for a mortgage bond was beyond the means of most households.

In view of the above discussion, it can be seen how in South Africa, as in Tanzania and Zimbabwe, the State housing method was used. An example is the core houses built in Khayelitsha in the 1980s for rental. In these core houses, the conditions are described as being poor and inhumane because of overcrowding, which often leads to a lack of privacy and other social problems. This situation later resulted in the erection of backyard shacks or shacks built adjacent to formal residential areas. Although some of the reasons of not paying rent, service charges and mortgage bonds in the past were political ones, besides the inaffordability owing to low income, the above-mentioned housing conditions are cited as the main reasons.

4.3.3.2 Formal Private Housing

The 'cheapest' privately-developed homes on offer were three-roomed pre-fabricated houses of 50 square metres costing between R10 000 and R16 000 inclusive of land. Most houses were conventional brick-built two-roomed homes available at "affordable" prices, i.e. R30 000 with repayments of R262 per month covering the house, bond and transfer costs (Smith, 1992:129).

4.3.3.3 Informal Housing

There are currently six informal settlements in Khayelitsha, namely Site B, Site C, Green Point, Town 2, Harare and Macassar. With the exception of Green Point, they are site and service schemes. To provide an outline of site and service living conditions in Khayelitsha, this study has chosen Site B and Site C as a case study.

When it was established, Site C was not a site and service scheme, but an unserviced area with bucket toilet systems, unfinished streets and communal water taps. Site B has reticulated water and sewerage systems with an outside toilet for each 78-90 square metre site and a tap is shared between two sites. An average size shack is built on the 25 square metre cement floor

provided and the floors of most shacks are hardened earth which may be covered with plastic, or pieces of carpeting. The shacks are divided into two or three bedrooms and a kitchen containing a table and paraffin stove, sometimes with two plates or a wood fire. (The researcher is a resident of one of these informal settlement areas, and since 1991 has been involved in participatory observation to assist the research methodology for this study).

The shacks are badly ventilated, too hot in summer and too cold in winter and are prone to interior condensation and dampness due to the high water table and the materials used. The shacks are also, as is shown frequently in news reports, prone to fire hazards and are often destroyed by blazes started by candles, oil lamps used for lighting or paraffin stoves used for cooking. These fires occasionally result in serious injuries and loss of life.

4.3.3.4 Housing Shortages

In estimating housing shortages (see *Race Relations* 1992/93:211), it is not clear whether entire informal settlements e.g. site and service schemes and backyard shacks can be regarded as housing shortages. This study accepts that any form of informal settlement e.g. site and service schemes and shacks wherever erected, is not regarded as a suitable form of housing because it is inhumane. (The living conditions in shacks have been described elsewhere in this chapter).

Social living conditions in shacks do not comply with the international standards of a “decent shelter”. The acceptable standards of a decent shelter are the ones described by Botha and Kaplinsky (1989:10-11). They describe a decent shelter as having two sets of functions, i.e. primary and secondary functions. They draw a distinction between a shelter, which may not have some of the basic necessities such as water, electricity, sewerage systems, etc. and a proper shelter/home. According to them a home, among other things, includes physical protection, health care, comfort for the family, relations within the family and education of the children. A home takes into consideration spatial standards, the size of a family, the issue of privacy, the quality of the physical structure, durability, accessibility, drainage/sewerage system, proper streets, distance from work, transport, schools, clinics and hospitals. This critical view can also be found in the works of Wilson and Ramphela (1989:4-5, 124) and Bourne (1981:2-3,14), as discussed in Chapter 2.

In 1994 there were a total of 10 808 formal houses and 41 947 informal houses in Khayelitsha. Of this total number of formal houses, 5 339 were built by the government in Town 1 Village 1 and 2. Formal houses in Town 2 Village 1 and 3 were built by the South African Housing Trust. Lingeletu West Town Council also built houses in Town 2 and P, Y and Z Sections.

With regard to informal houses, there were 41 947 shacks, meaning the majority of people in Khayelitsha are living in inflammable shacks. This means that most of Khayelitsha's people are living in squalid/destitute conditions, in particular those of informal settlements.

The next section discusses the infrastructural and basic social services in each of the housing categories in Khayelitsha.

4.4 INFRASTRUCTURAL AND SOCIAL SERVICES IN KHAYELITSHA

The picture of housing and other related basic infrastructural and social services in Khayelitsha can be categorised into four areas:

- council "starter-core" houses
- site and service areas
- unserviced areas
- bond houses

4.4.1 Council Core Houses

There are just over 5 000 council core houses in Khayelitsha, with both lease and home ownership agreements. These form part of the first establishments in Khayelitsha. Since 1983, these "match-box" houses as described in Cape Times (14 March, 27 August and 22 October 1984 and also see Sunday Times, 18 March 1984) have remained unfinished. At present (1997), the Council is working on transferring these houses to their occupants. Zakeni Consultant Company and BKS have been assigned the task by Lingeletu West Town Council (LWTC). This task does not stop at simply transferring core houses to their occupants and giving them title deeds, but also includes site and service areas. In other words, it is meant to

address the entire housing problem and help in facilitating the process of implementing housing subsidy schemes. The Council realised that this is not possible without first transferring sites and giving the occupants their title deeds to ensure that the government's housing subsidy scheme is received by the right households. This is why the Council decided to appoint consultants to do the task, according to Bangani in an interview (see Appendix 4).

4.4.2 Site and Service Areas

Housing in Khayelitsha, as has been described earlier, largely involves the site and service shelter method (Site B, Site C, Town 2, Harare and Macassar). Site and service is shared between the Council (Site B, Site C, Town 2, Harare and a part of Macassar) and the Independent Development Trust (IDT) in Town 3 Village 5 (Matthew Goniwe, the other part of Macassar). High population density has been described as a problem which results in overcrowding and double occupation of sites. The lack of land availability has added to this problem. For instance, in Site C two families share one plot of 90 square metres and also the same essential facilities (piped water tap and flush toilet on site or in yard). This problem was echoed by Phetheni (Zakeni Consultant) during an interview (see Appendix 4). He said that instead of an average of five households, an area would be occupied by ten households, e.g. Site B. This in turn, causes infrastructural problems, e.g. pressure on water supply, sewerage and storm-water drainage systems. In other words, it causes the basic infrastructural services to be unable to cope, which sometimes leads to blockages. The households who live in Site C confirmed this problem during an interview (see Appendix 4) and said that during weekends water pressure was low. In response to this problem, Phetheni said that Site C was established by the previous government as a transit camp and Khayelitsha as a labour dormitory township, as Cape Argus (21 September 1984) and Dewar and Watson (1984) described. These problems indicate that there was no proper town planning for Khayelitsha, as can be noted from the sewerage and storm water system. The detention basin next to Site C Nomthandazo Caltex Service Station is not built in the proper manner, and therefore it emits foul smells and creates a health hazard in the neighbourhood.

The lack of space and rezoning problems are due to the unavailability of land in Khayelitsha. The unserviced areas ("temporals") also are the result of this problem.

4.4.2 Unserviced Areas

An added challenge to housing in Khayelitsha, are the unserviced areas ("temporals"). These unserviced areas are adjacent to many of the serviced areas and are mostly found in areas such as Site B and Site C, although there are such areas in other parts of Khayelitsha (i.e. Green Point, SST adjacent to Town 2, etc.). There are three large unserviced areas around Site C (the largest one is along Lansdowne Road, followed by Taiwan and Island). In Site B, there are more than ten unserviced areas (TR section, S section, UB Block, TB Block, YB Block, VT Block, V East, W Block, K Block, DM Block, Q Block, R Section, PJS), and one in Khayelitsha adjacent to D-section (Tsephe-Tsephe). Some of these areas are situated in dangerous and unhealthy locations, in that they are built on storm water dams or next to the railway line, e.g. Island.

The Lingelethu West Town Council is currently (1997-98) in the process of addressing this problem. For instance, it has assigned Zakeni Consultants and BKS to transfer the core houses and sites in the site and service areas and to give the occupants concerned their title deeds to solve the problem of ownership (99-year leasehold land tenure system). The exception to the problem of ownership is to be found in Town 3 Village 5 (Mathew Goniwe, the other part of greater Macassar), which has reasonably adequate space and where people have title deeds. The reason for this is that it was developed by the Independent Development Trust (IDT). In addition, Harare also has a considerable amount of adequate space as compared with Site B, Site C and Town 2 areas in terms of plot sizes. The problem of land availability to relocate or resettle people who built their shacks on sites earmarked for other development projects (schools, community halls, crèches, etc.) has caused a dilemma for new housing development and RDP-related community projects in the area (Ngcuka's comments – see Appendix 4). The Council complains that it is not only communities in unserviced areas that occupy land not meant for residential purposes, but even people at some of the serviced areas will have to be relocated and proper rezoning done.

4.4.4 Bond Houses

Bond houses in Khayelitsha include:

- Thembani, Bongweni, Ikwezi Park ("Thembokwezi")
- Ilitha Park
- Mandela Park
- Khanya Park
- Zolani Park
- Khulani Park
- Graceland
- Ekuphumleni

The houses in these areas have been built by private developers (Besterecta, Fair Cape, Murray & Roberts, Rabie Property Developers, South African Housing Trust, Stocks & Stocks and Wimpey).

In terms of the non-payment of services, during the apartheid era, Khayelitsha was rated as one of the highest frequency areas in the Western Cape and also as one of the highest frequency areas in the country. This was the result of the response to a call for or a progressive campaign of rent, bond and service boycott made by Civic associations during the struggle against the apartheid system and BLAs. Unfortunately this also resulted in a bond boycott. The reasons, in some instances, could also be attributed to structural defects, according to Feni when interviewed (see Appendix 4). In Mandela Park (Makhaya) the plots are very small and during winter, the houses become damp and some show signs of cracking walls. Residents interviewed in this area said these were caused by poor building materials. Some companies or developers which were involved disappeared (they ran away) in order not to have to rectify this problem. Others changed their company names so that they could not be easily traced (see Appendix 4).

In the course of interviews, residents suggested that the government had to do something about this tendency of private developers to come to African townships to exploit and rob them just because they were desperate for houses. This has also been confirmed by the

former mayor of Khayelitsha, Mr. Ngcuka, who is currently (1997) a deputy chairperson of the Executive Committee (EXCO) of the Tygerberg Sub-structure (see Appendix 4).

In this regard, the democratisation process in South Africa has the mammoth task of addressing problems created by the apartheid government. These are the challenges which face Khayelitsha in the transition period. The growing development and housing problems in Khayelitsha can further be attributed to the rate of urbanisation in the form of oscillation. The negative impact of urbanisation is demonstrated by the growth of unplanned informal residential areas (unserviced areas), and poor infrastructure and inadequate social services in the site and services areas. This is demonstrated in the previous discussion of unserviced and site and service areas and in the section to follow.

4.5 THE IMPACT OF URBANISATION ON HOUSING IN KHAYELITSHA

The impact of rapid urbanisation poses challenges for housing development. Khayelitsha is a typical example of a township with a housing backlog, high unemployment levels, a lack of basic social and infrastructural services and other urban problems in general, due to the growth of its population. Population estimates have been made by various institutions - Lingeletu West Town Council (330 000), Toms of the Department of Health, CMC (360 000) and Site B Police Station (800 000). These different estimations of population growth in Khayelitsha make it difficult to determine its population growth rate and to plan for housing and basic infrastructural development. As indicated, homeless and landless people have erected shacks on the sites in the serviced areas, some adjacent to these areas, which were earmarked for other development purposes.

Despite the fact that there are new informal settlements in the Cape Peninsula such as Marconi Beam (Chuku Town) near Milnerton, Walacedene and Bloekombos near Kraaifontein, and the Hout Bay "squatter" camp, the Khayelitsha population keeps growing. Some of the people who live in the mentioned informal settlements were once residents of Khayelitsha. This was confirmed by the former mayor of Khayelitsha, Mr. Ngcuka, in an interview (see Appendix 4). The reason for leaving Khayelitsha was the long distance to their workplaces; they wanted to be closer to their workplaces to reduce travelling time and

costs. This has been acknowledged by the World Bank/SALDRU study conducted in October 1995. The report states that the working poor spend a large amount of time and money on transportation (World Bank/SALDRU, 1995:19). This includes trains, taxis or buses as forms of public transport. Long and costly commutes, which many working poor have to make on weekends/holidays to their more "permanent" places of residence, influenced the decisions of some people to move nearer to their workplaces.

It was acknowledged that the urbanisation phenomenon has both positive and negative effects, but this study will emphasise the latter. In most cases, urbanisation is the result of a mainly "rural exodus" to urban/metropolitan areas, but it could also be caused by civil wars, political violence or any type of social unrest in the rural areas. In some cases it is caused by the lack of socio-economic development in the impoverished rural areas, like in Tanzania and Zimbabwe. KwaZulu/Natal is an example of where urbanisation has been caused by political violence that forces rural people to seek security in the urban/metropolitan areas (reported on SABC News daily). In the Eastern Cape, particularly Tsolo, Qumbu, Port St Johns and other villages, urbanisation has been caused by violence related to livestock theft and other social problems. In the long run this problem is likely to lead to urbanisation to towns like Umtata and others nearby, or in this case, even Cape Town.

The challenges faced by the Tygerberg Substructure in Khayelitsha, are not only to upgrade the core houses built by the previous government, but also to address urbanisation and urban problems in general. In the case of Khayelitsha, in the informal settlements in particular, urbanisation takes place in the form of oscillation. The interviews conducted in the informal settlements of Khayelitsha show that almost all the households (98%) who reside in these areas are rural-based oscillating migrants who maintain rural social and family ties, meaning that they often visit their rural homes, mostly during December holidays. Smith (1992:14-15) states that some household members moved to town for longer or shorter periods. Oscillating migration makes it difficult for the present government housing subsidy scheme to be implemented effectively. Most of the oscillating migrants state that they are in urban/metropolitan areas because they need employment to survive, since the rural areas no longer have enough productive resources (e.g. agricultural production and livestock). It must be remembered that agricultural production and rural social life in general have deteriorated

because of historical negligence by the previous government and a nexus of additional factors as pointed out by Bundy (1979) and World Bank/SALDRU (1995).

The growing number of unserviced areas ("temporals") in Khayelitsha is the result of the "rural exodus" to seek employment in urban/metropolitan areas as can be deduced from the response of the households who live in an unserviced area called Kwa-Loyithi, with 33 shacks at the time of the interviews (see Appendix 4). The residents of Kwa-Loyithi "squatter" camp come from areas such as Old Crossroads, Philippi, Harare, Driftsand and Site C. Some settled in this area in 1995, others in April 1996. The reasons were political violence, lack of space or sites, others said they sold their former shacks because of unemployment. Originally, they come from the Eastern Cape - areas such as Mqanduli, Idutywa, Butterworth, Tsolo and Umtata. This is also the case in unserviced areas such as Taiwan, Island and the unserviced area along Lansdowne Road around Site C, and all the unserviced areas in Site B and in Khayelitsha in general. With regard to housing subsidies some people in Khayelitsha do not understand how the current government housing subsidy scheme works. They do not understand why the subsidy scheme is only applicable in urban areas and not also in rural areas (see Appendix 4). The households of the unserviced areas were using facilities or services of the serviced areas until the Lingeletu West Town Council decided to install communal water taps temporarily to alleviate the problem of water supply.

As has been presented elsewhere, Khayelitsha has a problem concerning basic infrastructure and public services. The water and sewerage/drainage systems are in a poor condition. The detention water drainage pond in D Section next to Nomthandazo Caltex Service Station in Site C is a typical example. The poorly installed water and sewerage/drainage systems lead to problems such as sewerage pipe blockages and slow water pressure from the taps, in particular in Site C during weekends (see Appendix 4).

The roads in some areas of Khayelitsha are in a bad condition, such as in Site B South and the X Section in Site B North where they are untarred. Further damage to roads is caused by sewerage/drainage blockages. In some cases the drains have no lids, as they have stolen by vandals and sold to recycling companies. In response to the problem of poor roads, especially untarred ones, the Department of Transport in the Western Cape has allocated R12 million to build roads in Site B South and the X Section in Site B North.

Another problem is refuse removal. Khayelitsha has the problem of uncollected heaps of refuse which occur in open spaces in front of schools and along the main roads entering the area. Sometimes the uncollected refuse is used for dumping the waste from “back street abortion”, as occurred twice in front of Ntlanganiso High School in Site C in 1996 alone, according to one of the street committee members interviewed (see Appendix 4). Uncollected refuse also breeds flies that spread diseases and this creates health hazards. Some children even play in this stinking, uncollected refuse.

The response of the households interviewed regarding the collection of refuse by the local authority was that their Council was inconsistent. Sometimes the truck came at least once or twice a week; other times less often. It has to be stated that there is no rubbish disposal for the residents who live in the unserviced areas ("temporals") - they use the communal refuse dump for their refuse removal. Sometimes these communal refuse dumps (rubbish skips provided by Local Council) are stolen by the unemployed to sell to recycling companies. In cases like this, residents of "temporals" dump their refuse in open spaces or in front of schools.

In response to this problem the Lingeletu West Town Council's then acting town secretary, Coetzee, said that the Cleansing Department was under-staffed and under-equipped. It had 110 employees. To overcome this problem, it was promised that the available posts (between 400 and 500) would soon be advertised. In addition, the Council intended to buy 4 compactor trucks costing R700 000 each to overcome the problem of a lack of equipment that affected its capacity to effectively render services to the community (see Appendix 4).

Another area of public services which creates problems is public transport. There are three types of public transport used in Khayelitsha to go to workplaces or to do shopping in surrounding towns, viz., Metro Rail transport (train), minibus taxis and buses. The taxi industry is having problems, of which violence is well-known. This violence has cost the lives of many commuters, sometimes even those of a taxi owners' or drivers' relatives when they are attacked at their homes. Because of continuing taxi violence, bus and Metro Rail transport find themselves experiencing problems, for example, Mkuchane, Metro Rail Public Affairs manager, complained about the problem of capacity and the overcrowding in trains (see Appendix 4).

In the case of bus transport, residents of Khayelitsha are experiencing transportation problems in their various routes to the workplaces and the towns. The researcher has interviewed some residents of the area (see Appendix 4).

Energy sources are also one of the basic prerequisites for living. As has been described elsewhere, the informal settlement in Khayelitsha is divided into two parts, i.e. site and service areas and unserviced areas. The sources of energy used in these areas are different, for example, in the unserviced areas gas, paraffin, wood and candles are mostly used, since there is no electricity. Electricity has only been installed in the site and service areas and "core" houses. According to Mchunu (see Appendix 4) up to 1996, 35 000 shacks had been electrified by Phambili Ngombane (a small electricity company), and 7 000 core houses by the Local Council. Since the electrification of serviced areas, fire-related incidents in shacks have declined remarkably. Most fire incidents occur in the unserviced areas because of candles or paraffin stoves used for lighting and cooking. Another problem is that Khayelitsha has no fire station of its own. Since its establishment, it has had to rely on the Mitchell's Plain fire fighters who, due to the distance often arrive late.

From the above discussion, it can be deduced that Khayelitsha is faced with wide-ranging challenges concerning socio-economic development. The problem of land availability is a contributing factor to the problems of housing shortages in Khayelitsha. In this regard, the problem of land availability particularly for residential purposes is viewed as a cause of inhumane or indecent housing conditions, overcrowding, and sometimes vulnerability to health hazards and fires. The unavailability of land on which to build houses or to relocate those who built their shacks in the unserviced areas ("temporals"), is a dilemma and one of the constraints on housing development in Khayelitsha. In this respect, Mr Cobbett, the former Director-General of the Housing Ministry, admitted that land is another area of the housing policy weakness. In efforts to deal with the problem, the Institute of Tribunals and a Commission of Planning have been established to investigate the problem and to speed up the acquisition of land (Leading Edge, 1996:21).

Large portions of land available particularly for residential purposes in Khayelitsha are owned and controlled by the South African Housing Trust (SAHT) e.g. in Mandela Park, Fair Cape in Tembani, Bongweni and Ikwezi Park, Rabie Property Developers in H Section

(Zolani Park) and Khulani Park, Stocks & Stocks in Ilitha Park, and other private developers. Khuphiso, one of the residents in the area, said that SAHT bought the land in bulk during the 1980s (apartheid era) at below market price (see Appendix 4). In agreement with this, Coetzee, who was the acting Town Secretary of LWTC at the time of an interview, confirmed that in 1987 SAHT reached an agreement with the former CPA to develop the land and supply infrastructure at subsidised interest rates for low-income groups.

A growing concern is the lack of publicly-owned land by the Local Authority (LWTC) to resettle people who live in overcrowded areas and the indecent housing conditions that are prone to fire, flood vulnerability and health hazards. As a result, any new developer, for example, companies such as Spoornet building houses in Khayelitsha for their employees, have to buy land from Fair Cape, SAHT or Stocks & Stocks. The success of that particular developer in obtaining the required size of land depends on the willingness of the private developer owning the land. This sometimes causes land price inflation, which affects the price of houses and thus affordability for low-income earners. The monopoly of land ownership by a few private developers may lead to exploitation of the urban poor. In fact, these are some of the complaints expressed by people of Khayelitsha and the former mayor, Mr. Ngcuka (see Appendix 4).

Recognising the problem of land availability the government has proposed a land development policy. The prime purpose of the land development policy is to establish procedures to facilitate the release of appropriate land for affordable housing, public services, recreational and productive purposes. In settlements which have grown in remote locations and without formal planning, land development involves upgrading services and infrastructure after settlement has occurred, often in circumstances that are far from optimal. To be effective land development will require:

- coherent and integrated institutions, financial and legal framework;
- clearly-defined responsibilities, roles and powers for land development planning and regulation at all levels of government;
- a national land use management system co-ordinated between departments and between tiers of government; and

- the capacity to involve people in planning and implementation of the actions required to satisfy their needs and facilitate development (Green Paper on Land Policy, 1996:vi).

These efforts of the government towards solving the problem of landlessness indicate a positive move. It is positive to find in the Green Paper on Land Policy, that local governments have legislative powers regarding certain land and land-related functions. These functions include acquiring land for residential purposes to settle local people and land for economic and other development purposes. The Development Facilitation Act, 1995 (Act 67 of 1995) provides fast-track procedures for the speedy release of land for development (Green Paper, 1996:10).

It is suggested that the Tygerberg Substructure and the LWTC should make use of powers and functions provided by this Act to solve the problem of land availability and overcrowding in Khayelitsha. As Khayelitsha is under the jurisdiction of the Tygerberg Substructure, it could be integrated into areas such as Mfuleni, Delft and Belhar. There are large tracks of vacant land around the area called Driftsands along the N2 (freeway). That land could be developed for housing to relocate the people of Khayelitsha who currently live in unserviced areas ("temporals") and those who live in a situation of double occupation of sites in Site C. Although these suggestions do not disregard the importance of nature conservation, housing has increasingly become a priority in this area. As has been pointed out, 75% of housing in Khayelitsha is in the form of shacks. This demonstrates that the area is experiencing a housing crisis.

4.6 CONCLUSION

South Africa is faced with development problems. The abject poverty in most of the impoverished rural areas, in particular the former "homelands" and peri-urban areas where the former disenfranchised and disadvantaged people live (e.g. African townships), is said to be the number one problem of the government. This is the problem that faced the Department of Housing in implementing the current government housing subsidy scheme. This, however, poses challenges in providing housing to the lower end of the market (low-income groups). Amongst the main problems identified are high levels of unemployment,

low income or skewed distribution of income that result in income inequalities. In anticipating better social living conditions and employment opportunities, the rural people, especially the youth, left their villages for urban/metropolitan areas to find a better life. Consequently, they find themselves trapped in urban poverty; because of the high levels of urban unemployment they could not find jobs. Instead, they joined the squalid social living conditions in the peri-urban/metropolitan areas.

Khayelitsha is in the kind of situation described above. Some of the problems are the result of poverty in the Eastern Cape. Most of the people who live in Khayelitsha and many other African townships in the Western Cape, are originally from the Eastern Cape. Some of them are permanent residents of the Western Cape, while others are still maintaining their rural social and family ties (i.e. they are still "rural-based"). Rural people have been pushed away from their villages to migrate to urban/metropolitan areas ("push-pull factors" or "rural push" and "urban trap").

The housing conditions in Khayelitsha have been analysed. It was discovered that the people of informal settlements in Khayelitsha are living in squalid social and indecent housing conditions. The life of a "squatter resident" is inhumane because of overcrowding, resulting in fire vulnerability and health hazards. Shacks are uninhabitable especially during the hot, cold or rainy/windy days. Life in shacks is harsh. It is worse in areas where there is a lack of services (i.e. water supply, sanitation, refuse removal, etc., particularly in unserved areas).

The squalid housing conditions and other development problems prevailing in Tanzania's and Zimbabwe's big cities are evidently similar to those prevailing in South Africa's African townships (e.g. Khayelitsha). This demonstrates the common colonial and apartheid history, an African connection. Although, South Africa is regarded by some as a developed country economically, militarily and technologically, when compared with other African countries, its African townships are still similar to, if not relatively worse than those in other African countries. What can be learnt from Tanzania's case, is its rural-focused development programmes and decentralisation policy, although it did not achieve its objectives due to the low economic performance that resulted in public financial constraints. As a result of these problems, Tanzania was forced to appeal to the IMF/World Bank for financial assistance in 1986. In the case of Zimbabwe, due to poor housing conditions of the low-income groups,

the Zimbabwe Building Society (ZBS) was formed in 1991 for the purpose of solving this problem. In its mission the ZBS has also gone into joint ventures with local authorities and the Ministry of Public Construction and National Housing and further assisted housing co-operatives. The method used in acquiring land in Zimbabwe could serve as a lesson for South Africa.

In the previous four chapters the case for the study has been built and the root causes indicated. In the next chapter, the conclusion on the hypothesis will be provided and the future of housing prospects in Khayelitsha explored.

5. CONCLUSION ON HYPOTHESIS

CONCLUSION ON HYPOTHESIS

OBJECTIVES

- Consolidating previous chapters to come to conclusion on hypothesis
- Exploring future housing problems in Khayelitsha

It is crucial for research to investigate the root causes rather than the symptoms of the problems. As stated in Chapter 1, this is the main purpose of this study. The problems of development and housing in South Africa's urban/metropolitan areas are the result of the previous government policies, in particular the migrant labour system, land ownership and urbanisation-related policies. In Chapter 2, these factors have been discussed and used as a frame of reference for the analysis and interpretation of the information collected.

It has been pointed out throughout this study that the present government in South Africa has inherited developmental and housing problems. The current situation in both rural and urban/metropolitan areas is the result of "push-pull factors" such as the migrant labour system consolidated by the imposition of tax systems ("Poll and Hut Tax") on individual households and the Land Acts of 1913 and 1936 that encouraged the rural-urban migration. This had a destructive effect on family life, i.e. social disintegration of families as men were forced to live in single quarters (single labour hostels) for 11 months a year throughout their adult life. As people were forced through government policies to migrate to cities during the process of industrialisation, agricultural production deteriorated in rural areas. The cause of this deterioration was that valuable rural human resources were stripped off. Moreover, the rural areas were neglected by the previous governments in terms of development and, as a result, were unable to contain their people. They were justly regarded as "labour reserves" to supply cheap labour to urban economies (see Bundy (1979); Dewar *et al.* (1982); Giliomee and Schlemmer (1985); Theron and Graaff (1987) and Chambers (1993)).

As a result of the above factors, poverty and unemployment grew significantly resulting in more people migrating to urban/metropolitan centres to seek employment opportunities. When migrant labour created an oversupply of labour in the cities, the "corporate State" responded by introducing restrictive measures such as influx control in 1926 (Nash, 1976:53). Furthermore, the Group Areas Acts of 1950 and 1966 were introduced to regulate separate development. Forced removals and sometimes deportations to "homelands" were the result of the Group Areas Act for an "urban apartheid model" of spatial planning, management and

development in the cities (see Mabin in Swilling *et al.* (1991)). In addition, urban policies deliberately excluding Africans, especially the so-called illegals from urban/metropolitan areas were also implemented in 1966 (see Cook, 1986 quoted in Smith (1992)). Housing policy was also used to achieve the political objective of influx control measures and the official freeze on African family housing was announced in 1966 (see Nash (1976); Dewar & Watson (1984 & 1986); Giliomee & Schlemmer (1985); Cole (1987); Botha & Kaplinsky (1989); Planact (1989); Seekings *et al.* (1990); Harrison & McQueen, (1992); and Black Sash and The Surplus Peoples Project unpublished booklets). The apartheid government restarted building houses for African people in the Cape Peninsula in 1980/81, the establishment of New Crossroads and 1984, the establishment of Khayelitsha.

The above-mentioned "push-pull" factors and the manner in which urbanisation was managed are causally linked to the current housing problems in South Africa's urban/metropolitan centres. Rural-urban migration reached a stage where the cities became unable to absorb new migrants from the rural areas. This is demonstrated by the land unavailability problem for housing, resulting in growing "squatting and land invasions" and further aggravated by the levels of urban unemployment. Like Tanzania and Zimbabwe, South Africa is faced with immense urban developmental problems.

The symptoms of the "push-pull factors" of migration and the manner in which the urban/metropolitan centres were developed and managed through urban policies ("urban apartheid model") are reflected in the housing crisis. The refusal of the apartheid government to make housing available to Africans in "sufficient" numbers to meet basic needs, brought about overcrowding that has given rise to the mushrooming of "squatter" or informal settlements. The growth of "shack populations" in backyards in formal residential areas and on open spaces in and around formal townships reflects these symptoms manifested over the years. This also contributes to Khayelitsha's growing population. Some of these symptoms or effects of housing problems in urban/metropolitan areas have been pointed out by Wilson and Ramphela (1989:4-5,124) and Mabin in Swilling *et al.* (1991:35-44).

In Khayelitsha in particular, 75% of the housing is in shacks, illustrating the housing crisis. A contributing factor is that 98% of the households interviewed in the informal settlements (site and service and unserviced areas) represent oscillating migrants from the Eastern Cape.

They still maintain their rural family ties, that is, they often visit their families during holidays. The most important factors that drove them from rural areas to the Western Cape's urban/metropolitan areas are employment-related. This analysis and explanation does not intend to suggest that they should be driven away as in the past, but rather intends to suggest that the government should address the root causes of this phenomenon by focusing on integrated rural development programmes meant to combat poverty and unemployment. Such programmes are required to focus on strategies that could effectively address the lack of employment, abject poverty and unattractive rural/village social living conditions in rural areas. There are feasible, practical solutions to these problems.

From the data analysed above it can be deduced that rapid urbanisation and the manner in which it was managed in the past through urban policies gave rise to growing “squatting and land invasions” in Khayelitsha. Due to resource constraints such as land developed for housing, new migrants find themselves in a difficult situation. As a result, they resort to the “invasion” of land for “squatting”. They face the hardship of fire and floods, because of the vulnerability of such areas. Moreover, these areas are unplanned and undeveloped, and therefore have no public services and infrastructure.

There is a correlation between rapid urbanisation and regulating policies of the past and the current problems in urban/metropolitan areas such as housing shortages, high levels of unemployment and a lack of land availability. This confirms the research hypothesis (see p.6), that the urban-related government policies and management implemented in the past caused negative urbanisation and housing problems in South Africa's urban/metropolitan areas in general and in Khayelitsha in particular.

5.2 KHAYELITSHA'S FUTURE HOUSING PROSPECTS

In exploring future housing problems, the growing Khayelitsha population will further exacerbate existing housing and land availability problems. The land currently available in Khayelitsha on which to build houses is not adequate. Private developers, as has been pointed out in Chapter 1 and Chapter 4, own some portions of the land. This could impact on housing provision, as the local authority has to negotiate for land release with the owner of land.

However, the speedy release of such required land would also depend on the willingness of the landowner, as there is money involved.

In view of the housing and land availability problems in Khayelitsha, the Tygerberg Substructure has to find ways of addressing these pressing issues. The land adjacent to the N2 and the existing township called Driftsand, have to be developed for housing relocation. Furthermore, the land that has been developed in Delft or part of it, should be given to Khayelitsha, so as to alleviate the landless and homeless problems. The study also recommends as a lasting and practical alternative, the consideration of rural development, so as to address the root causes that contribute to rural-urban migration. In addition to rural development, decentralisation policy should be used to enhance the effectiveness of the implementation of an integrated rural development programme. This effort was used in Tanzania where it was proved to be practical, although its implementation was not successful due to the reasons described in Chapter 3. Within the next few years South Africa's urban/metropolitan areas in general and Khayelitsha in particular will be faced with growing problems of unemployment, land unavailability for development, and housing shortages due to growing population, mainly caused by rural-urban migration. Efforts to solve this phenomenon are urgently required.

5.3 Conclusion

As stated in the research methodology the goal of this study is both descriptive and explanatory. The historical description demonstrated that there is a causal relationship between the past government's urbanisation policies and the current urban housing problems and development challenges. Theory has been used as a frame of reference to analyse and interpret the information collected. In this respect, the logical deduction has been made that the past government's urbanisation policies have resulted in the current housing crisis in South Africa's urban/metropolitan areas in general and in Khayelitsha in particular.

Against the backdrop of the above context and challenge, all the spheres of government - national, provincial and local - are faced with challenges. Some of the challenges are poverty, unemployment, housing and landlessness. The problems of urbanisation and housing finance are amongst the housing issues. These challenges require a vigorous process of democratisation, rationalisation and restructuring of the institutions of governance. Any

solution to these challenges would need people to be actively involved in all aspects of development, as was denied in the past. People should be empowered so that they can make meaningful contributions to developing their areas. Development starts with people to enable them to manage development and take control of their lives. The concept of people driven-or centred development should not be used as just a theory, but to ensure sustainable participatory development (see p.10-17).

Up to this point (end of Chapter 4) the study inductively built a case for what is considered to be an appropriate approach in dealing with urban problems such as rapid urbanisation, housing shortages and development-related issues. The next chapter will look at practical realities visible and reported on the ground. In other words, the study will look at the gap between theory and reality. It will focus attention on the housing issues such as land availability, the housing finance system and the capacity of the institutions charged with the task of implementing and managing these issues. The efforts made by the government through the department concerned, specifically the White Paper on Housing and the Green Paper on Land Policy will also be analysed and examined.

OBJECTIVES

- Exploring present responses and constraints regarding the research variables

6. THE GOVERNMENT'S EFFORTS TOWARDS SOLVING THE HOUSING CRISIS AND THE PROBLEMS OF LAND UNAVAILABILITY IN KHAYELITSHA

6.1 INTRODUCTION

Democratisation processes in South Africa have created expectations, especially of a material nature, amongst the poor. Managing and meeting these expectations has opened up new challenges. One of these challenges is homelessness and the totally inadequate housing conditions that the poorest of the poor find themselves in, like the situation prevailing in Khayelitsha, where shacks constitute 75% of the housing.

In the previous chapter, the housing conditions in Khayelitsha were assessed. The way Khayelitsha was developed and planned by the previous government did not meet international standards of planning residential places. It was designed as a transit camp, a dormitory labour township or dumping ground peri-urban township. This chapter discusses housing issues relating to land availability and acquisition, the housing finance system, institutional development and the capacity to deal with housing issues. Progress in delivery and environmental factors (economic, social and political turbulence) that affect delivery will also be discussed. It is reported (SABC daily news reports) that the delays in the process of implementing the government's land reform programme, a speedy release of land for housing purposes, and housing delivery are caused by the institutional bottlenecks or the lack of a proper administration/management system. The chapter will also establish whether any progress in housing delivery has been made despite the above-mentioned problems.

6.2 LAND REFORM AS RESPONSE TO URBANISATION

Land, its ownership and use, have always played an important role in shaping the political, economic and social processes in the country. Past land policies were a major cause of insecurity, landlessness, overcrowding, homelessness and poverty. They also resulted in inefficient urban and rural land use patterns and a fragmented system of land administration. This has restricted resource utilisation and development. In South Africa, as in many countries in the world, land has always been a sensitive issue. Questions of land ownership, distribution

and use still arouse emotions and result in heated debates. Our history of conquest and dispossession, forced removals and a racially skewed distribution of land resources has left a complex and difficult legacy (Green Paper on Land Policy, 1996:1).

It can be stated that if the land issue is addressed properly it could ease the pressure for housing and development in general. Financial resources are equally important to make this possible. The Department of Land Affairs has attempted to develop a comprehensive land reform programme to redress the imbalances of land ownership and use created by the apartheid system. It has put forward policy proposals to be adopted as a Land Policy for the country and raised concerns regarding implementing policy proposals. The Land Affairs Green Paper states that the government's land reform programme is made up of the following principal components:

- land redistribution;
- land restitution; and
- land tenure reform.

Each of these components will be discussed separately.

6.2.1. Land redistribution and its contextual challenges

The purpose of the Land Redistribution Programme is to provide the poor with land for residential and productive purposes in order to improve their livelihoods. The government proposed a single yet flexible redistribution mechanism, which can embrace the wide variety of land needs of eligible applicants. Land redistribution is intended to assist the urban and rural poor, farm workers, labour tenants, women and entrepreneurs.

The redistribution programme enables eligible individuals and groups to access a Settlement/Land Acquisition Grant to a maximum of R15 000 per household for the purchase of land directly from willing sellers, including the state. Redistribution programmes will be prioritised as follows:

- priority will be given to the marginalised and to the needs of women;

- it will be given to projects where the capacity exists to be implemented quickly and effectively; and
- government will ensure a geographical spread of projects and a diversity of project types, covering different beneficiary sectors, different land uses, and different tenure arrangements

Its challenge is to respond to the variety of needs in an equitable and affordable way, while contributing to alleviating poverty and national economic growth. Other challenges include:

- addressing the urgency of landlessness and homelessness which is resulting in "invasions"; and
- assisting poor people to get access to credit to supplement government grants.

The fact is that there are poor, landless, unemployed and otherwise disadvantaged people across the country. Therefore, the South African government has to rectify the imbalances in land ownership resulting from unfair and unequal access to land. The Land Redistribution Programme has to be the key solution to this problem.

6.2.2 Land restitution and its contextual challenges

The purpose of the Restitution Programme is to restore land and provide other remedies to people dispossessed by racially discriminatory legislation and practice. The Green Paper states that this will be done in such a way as to provide support to the process of reconciliation, reconstruction and development, and with regard to the over-arching consideration of fairness and justice for individuals, communities and the country as a whole.

The government's policy and procedure for land claims are based on the provisions of the Interim Constitution and the Restitution of Land Rights Act (Act 22 of 1994). The Green Paper elaborates four aspects:

- qualification criteria;
- forms of restitution;
- compensation (for both claimants and landowners); and
- urban claims.

A restitution claim qualifies for investigation by the Commission on Restitution of Land Rights provided that the claimant was dispossessed of a right to land after 19 June 1913 under, or for the object of furthering a racially discriminatory law, or was not paid just and equitable compensation. The Green Paper states that claims arising from dispossession prior to 1913 may be accommodated by the Minister in terms of preferential status in the Land Restitution Programme provided that claimants are disadvantaged and will benefit in a sustainable manner from the support.

Restitution can take the form of:

- restoration of the land from which claimants were dispossessed;
- provision of alternative land;
- payment of compensation;
- alternative relief comprising a combination of the above; or
- priority accesses to government housing and land development programme.

The Green Paper identifies some of the challenges facing the Restitution Programme. Among them is the number of people affected by forced removals, estimated at 3,5 million. Other challenges are cases of dispossession falling outside of the Restitution of Land Rights Act and the settlement of urban claims where the land has been redeveloped.

6.2.3 Land tenure reform and its contextual challenges

The purpose of the Land Tenure Reform Programme is to extend security of tenure to all South Africans under diverse forms of tenure. Tenure security will enable citizens to hold and enjoy the benefits of their land, their homes and their property without fear of arbitrary action by the state, private individuals or institutions. The Green Paper argued that the introduction of a legal and administrative system, which protects land rights in South Africa, would make a significant contribution to:

- personal security;
- social stability;
- increasing levels of investment; and
- the sustainable use of land.

Challenges for the Tenure Reform Programme include:

- upgrading the conditional tenure arrangements currently restricting tenure security and investment opportunities of black South Africans;
- strengthening the benefits of communal tenure while changing features of this system which have resulted in the erosion of tenure rights and the degradation of natural resources; and
- co-operating with traditional leaders to reform aspects of customary tenure which no longer serve the expressed needs of the people affected (Land Info Volume 1, 1996:13-4).

One might question the relevance of the government's land development policy to Khayelitsha and ask whether can it alleviate the land availability problem for housing, if implemented effectively. Khayelitsha, as has been said earlier, is not an isolated area, but is part of South Africa and therefore any government policy also affects Khayelitsha and its developmental problems. This is the case in the current South African land reform programme, which Khayelitsha affects in many ways. As has been stated, the problems of Khayelitsha are the manifestations of the previous government's urbanization policies. The problem of land in rural areas (e.g. the Eastern Cape) that resulted in rural-urban migration is a typical example of such policies. In addition to the land problem, are the poverty and unemployment encountered both in rural and peri-urban areas in South Africa's metropolitan centres (e.g. the Western Cape).

For these reasons, the discussion regarding the current government's land reform programme is deemed relevant to addressing rural poverty, other development problems and Khayelitsha's housing situation, because the background to Khayelitsha's problems is to be found in the poor living conditions in the Eastern Cape.

The government's proposed land development policy, the Development Facilitation Act, 1995 (Act 67 of 1995) which provides fast-track procedures for the speedy release of land for development (Green Paper, 1996:10) can alleviate the problem, as once acknowledged by the former Director-General of the National Housing Ministry. Mr. Cobbett, the former Director-General of the Housing Ministry, admitted the problem of land availability for housing provision. However, he said the government had to release land speedily in order to meet land needs and demands from the ground (Leading Edge, 1996:21). Various ministers have admitted this fact, e.g. former Minister of Land Affairs and Agriculture, Mr Derek Hanekom, Minister of

National Housing, Ms Sankie Mthembu-Mahanyele and the MECs for Provincial Housing Departments.

The government's response to the above problems has been discussed in the previous sections of this Chapter. To specifically contextualise land redistribution, Khayelitsha has a problem of land availability to relocate or resettle the people who are in situations of double occupation of sites in Site C, those who occupy sites that are earmarked for other development purposes, and those who erected shacks in unplanned and unserved ("temporals"), sometimes dangerous areas, adjacent to site and service and/or formal residential areas. Therefore, additional land for housing is important to solve this problem. As suggested elsewhere, the land along the N2 and the existing Driftsands Township has to be considered for this purpose. For the tenure programme, tenure security is important and relevant to Khayelitsha. It must be remembered that in the past Khayelitsha used the 99-year leasehold tenure system; therefore, tenure security is crucial for long-term housing investment. There should be clarity about which type of tenure system is to be used (freehold or leasehold systems).

While the land restitution programme is more relevant in addressing land ownership and unequal access to land (because of dispossession) in the rural areas, it can help to alleviate the problems of abject poverty, high unemployment (causes of rural-urban migration) and other development issues in rural areas. If this programme can be implemented effectively, rural areas might be able to contain their population through agricultural intensification, employment-generating capacity programmes and agro-industries.

The Green Paper on Land Policy is not explicit on which type of land tenure system should be adopted in South Africa. Whether it should be a freehold or leasehold system is not clear. Tapson, in his Carnegie Paper (Wilson and Ramphela, 1989:312) argues against the "freehold option" as a "blind alley" on the grounds that permanent alienation of land into private ownership would inevitably, in practice, lead to the land being held by a "wealthy and powerful elite". He said that it is far better that land be converted to public (community) property with suitable compensation, and made available to land users on the basis of a market-determined rent. This option, he maintained, will deliver the advantages claimed by freehold title, plus some additional benefits unique to it. These are:

- land will not be permanently alienated from individuals, but will be made available to all on a regular basis;
- those with the resources and expertise to make good use of productive land will be able to do so without the less well endowed losing all benefits from it;
- provided that the principle of distribution of rentals pro rata to all families in the village or community is adhered to, it is advantageous to all that land values, and therefore rentals, should rise. In the case of freehold, only landholders will benefit, and as values rise, the number owning land will shrink; and
- because land will belong to the community or nation as a whole, no landless class will be created.

The leasehold option has the promise of increasing productivity of both grazing and arable land, while at the same time maintaining and improving equity throughout the social and economic strata of the nation. It will secure some sort of income, even for those lacking resources to work the land themselves, and will permit those better endowed to create opportunities for profitable production (Tapson's Carnegie Conference paper, 260:9).

In this respect, Moll concluded that more important than the systems of land tenure in affecting productivity in the reserves, was the lack of government expenditure and price incentives, as compared with what the state has done down the years to support the growth of output in white-owned agriculture (in Wilson and Ramphela, 1989:312). Moll's recommendation, then, was that until such time as the state is willing to invest substantial amounts in agricultural development in these areas - by improving the roads, providing markets, investing in detailed technical and advisory services, supporting agricultural prices and generally helping farmers to take off - it would not be advantageous to introduce freehold tenure. Later, with the migrant labour system gone, with adequate family housing in the cities, and with state investment in rural infrastructure, the case for individual tenure could be re-opened. Even then, as Reynolds and Tapson have both argued, there may be other structures, such as land companies and leasehold tenure, which would encourage agricultural production whilst also protecting the poor from the loss of their only asset, the land rights they share as members of rural communities (Wilson and Ramphela, 1989:313).

In view of the above argument, it is important to draw some lessons from other African countries. In most African countries, it is widely acknowledged that the land factor is of importance to housing. The general belief is that, if housing delivery for the urban poor is to meet with any success, the issue of accessibility to land must get attention. In order to address the land question after they attained their independence, African governments have adopted various land reform systems in accordance with their political, social and economic conditions.

In Ghana the government has reserved wide powers of compulsory acquisition of land though it has used such powers sparingly and only when the public interest dictated. In Nigeria, the Land Use Decree of 1978 has vested all land in the government in trust for the people, because it is deemed in the public interest that the rights of all Nigerians to use and enjoy land should be assured, protected and preserved.

One of the results of the Ethiopian Revolution was the nationalisation of all urban land without compensation under the Government Ownership of Urban Land and Extra Houses Proclamation (No. 47 of 1975). This was to correct inequities in the Ethiopian urban land market. Marian (1970:28) reported that in 1966 an estimated 5% of the population in Addis Ababa owned 95% of the privately-owned land in the city.

In Zimbabwe the government has pledged to seek the transformation of the land system by ensuring, among other things, an acceptable and fair distribution of land ownership and use. The Zimbabwean government acquired land on a willing-seller willing-buyer basis. Hunter (1995/96:1625-7), however, reported that in March 1992 legislation was passed by Parliament which provides for its compulsory purchase at a fixed price for peasant resettlement.

Under the Land Reform Decree of 1975 all land in Uganda was declared to be publicly-owned and all other tenure systems except leaseholds were abolished. All freeholds and absolute ownership were converted into leaseholds and customary occupation of such public land was declared to be "only under sufferance". A lease of any such land could be granted to any person, including the holder of the tenure.

In Tanzania (known by its Ujamaa Villagization Settlement Programme), agriculture accounts for about 60% of output in the economy (SABC 2, Africa Focus programme, 10/08/1997). It is

also said that 80% of the workforce is engaged in agriculture, chiefly in subsistence farming (New African YearBook, 1997/98:1236).

In Zimbabwe the government is faced with a problem of funds to buy land from white commercial farmers. As a result, the only people who benefited are elites (government officials), not peasants as promised during the liberation struggle. Peasants and former freedom fighters (who are not in the army) are still complaining. In order to fulfil the promise of fair distribution of land, the problem of land expropriation in Zimbabwe was high on the agenda during the meeting between President Mugabe and British Prime Minister, Tony Blair in Edinburgh, where the Commonwealth Summit was held (SABC News, 26/10/1997). Mugabe made a request for British funds to compensate white farmers for land he wanted to expropriate. Mugabe said that his government planned to take five million hectares of land from white farmers, and wanted Britain to pay for it. Blair told him that Britain would only assist if the land were bought from willing sellers. It was also said that Britain had in the past pledged financial support for land reform in Zimbabwe where some 4 000 white farmers own around 30% of the land while millions of blacks live impoverished lives in crowded communal areas (Sunday Times, October 26, 1997:13).

Under its policy of socialism, the Tanzanian government adopted a utilitarian concept of land ownership and declared, in accordance with the Arusha Declaration of 1967, that land belongs not to individuals but to society (Asiama in Amis & Lloyd, 1990:242-3). In Tanzania, there was no problem with land ownership, but a lack of funds to develop land for housing. It was stated that the government would provide land, infrastructure facilities, house plans, supervision, and building materials to which families would add their own labour (Magembe and Rodell, 1983:23). This was the government's initial position before Mwinyi's government was forced by socio-economic and financial problems to appeal to the IMF/World Bank for financial assistance and to adopt its development programme (viz. Economic Recovery Programme) in 1986. Since then, Tanzania has deviated slightly from its socialist policy.

It is clear that in most African countries compulsory acquisition of land for housing and other development purposes was used as an instrument to redress the imbalances of access to land caused by the policies of colonial governments. The African governments left options open to make a direct provision of land to the urban poor for housing purposes. The reason for this is

that it was understood the urban poor would possibly be the victims of exploitation by private landowners. Private land markets could create rapid increases in land prices, because of landlessness, the demand for land would increase remarkably and could eventually lead to the unhealthy practice of land speculation and thus result in inflationary consequences for the economy in general. As intended beneficiaries, the urban poor would not benefit from the land markets; instead the only people to benefit would be the elite.

The most obvious options used by African governments in their efforts to redress the problem of unequal access to land were the following:

- confiscation and re-distribution of land. This could be at two levels, i.e. outright confiscation without compensation as in Ethiopia, or compulsory acquisition with compensation as in Zimbabwe. Communal ownership of land, which is prevalent in most African countries ensures that there is no class conflict between a wealthy land-owning class and a poor landless proletariat, or at least casts a veil over the existence of such a conflict. Where the powers of compulsory acquisition with compensation are used, e.g. in Zimbabwe, there is the added difficulty of the government having to find the money to pay the compensation; and
- vesting land management in the state. Where confiscation or compulsory acquisition with compensation may not be a feasible option, African governments have opted for taking over the administration and management of all communally-owned urban land. This option is particularly useful in countries where communal land-ownership is prevalent, because it leaves ownership substantially in the landowner's hands and it is likely to be less objectionable to landowners than the use of the powers of confiscation or compulsory acquisition with compensation. Ghana has employed this system successfully. Under the Administration of Land Act, 1962 (Act 123) the government of Ghana is vested with the management of all communally-owned land (Asiama in Amis & Lloyd, 1990:247).

Unfortunately, in South Africa, individual farmers, private companies or developers own most of the land. There is no communally-owned land, especially in urban/metropolitan areas. Communally-owned land can only be found in rural areas, in particular in the former homelands or self-governing states. Therefore, the only panacea to the land tenure system in South Africa

is leasehold. The state has to have absolute control over ownership and use of land so as to equitably redistribute the land to all its citizens with tenure leasehold titles.

6.2.4 Concerns about the present land reform programme

It is important to state that these concerns are reported as coming from various landless groupings in South Africa (Report document on the National Conference on Land Policy, 1995:1-6). They are as follows:

- the biggest fear is that land reform is not based on the history of how the land was taken from people, but only puts more emphasis on title deeds. There are people who were dispossessed of their ancestral land before 1913; therefore the time frames and cut-off date of 1913 cannot be a cut-off date for them;
- land reform will not be proper if the property clause remains in place. Therefore, it must be excluded from the new constitution. It would not benefit the landless people but protect present landholders;
- subsidy should address housing only and not acquisition of land. These landless groupings said they did not see the reason for the government giving the landless people R15 000 to purchase and erect houses; the government should subsidise the landless people 100% through the leasehold tenure system with tenure leasehold titles. In their view, the willing-buyer, willing-seller system is aimed at enriching those who already have money, namely the farmers. It could also lead to land markets, land speculation, high prices for land and thus inflationary consequences to the economy in general. The land markets can also lead to competition between the haves and have-nots. These concerns were expressed by various indigenous groupings that speak different African languages and were submitted to the Department of Agriculture and Land Affairs (Report document on the National Conference on Land Policy, 1995:1-6); and
- lastly, it is said that the land reform programme has accomplished nothing yet and must be speeded up and the former Minister himself, Mr Derrick Hanekom, has admitted this. Hanekom puts the blame for this delay on the institutions responsible for implementing the land reform programme (Report document on the National Conference on Land Policy, 1995:6-9).

All these concerns are legitimate and they could have a detrimental effect on the implementation of the government's land reform programme. They could also affect the process of reconciliation, which the land reform programme is meant to promote. For instance, it is said that a just land policy has to build reconciliation and stability, contribute to economic development and growth, and thus alleviate poverty or bolster household welfare (The Green Paper on Land Policy, 1996: 6).

6.3 HOUSING FINANCE SYSTEM

Given the constraints imposed by the need for fiscal discipline, it is clear that the state will not be able to provide levels of subsidisation at the lower end of the market which are sufficient to cover the costs of delivering a formal house to every South African in need of housing. The government's approach to the provision of housing is therefore to utilise a combination of the provision of subsidies within the fiscal abilities of the state to those most in need and least able to contribute to the costs of their own housing and, through various mechanisms, to mobilise individual savings as well as private/non-state credit in order to supplement subsidy assistance provided by the state (White Paper on Housing, 1994:43).

Housing finance is one of the fundamental problems facing the government in the implementation of a national housing policy and strategy. This is evidenced by the current meagre housing subsidy scheme. As a result, the government has moved away from the initial promised concept of "four-roomed RDP houses for all". Reluctantly, the government embraced the concept of "breadth, not depth", opting to help as many people as possible to reach the first rung of the housing ladder (Leading Edge, 1996:19). This concept provides for a capital subsidy, a serviced site and some technical and financial assistance afterwards when additional funds become available. Due to financial constraints the government can only afford to provide limited financial assistance to beneficiaries in the lower-income segments of the housing market. The broad national financial system and sources in South Africa for the provision of housing in this section are discussed below.

6.3.1 State Funding

In acknowledging the housing backlog, the South African government has introduced a subsidy scheme to assist the financially low-income groups. This system of subsidisation is justified as biased in favour of those most in need of government assistance. Therefore, it is essential that the bulk of state housing resources should be utilised to assist the poorest of the poor. The Housing Subsidy Scheme, in conjunction with the various interventions aimed at mobilising credit, is one adaptation to the government's approach to the housing challenge. The aim of the scheme, which was significantly enhanced during 1995 is to assist households that cannot provide their own housing.

Initially, in the first document released known as the implementation manual (11 April 1994) there were three categories in the housing subsidy scheme. In recognising the financial constraints faced by a relatively large proportion of households with monthly incomes below R800, the government decided to substantially increase the 1995/96 housing budget. The government introduced a fourth level of subsidy. The table below presents the government housing subsidy details.

TABLE 6.1: Levels of Housing Subsidies

Household Income (R)	Subsidy (R)
0 – 800	15 000
801 - 1 500	12 500
1 501 - 2 500	9 500
2 501 - 3 500	5 000

The current (1994) housing subsidy scheme can be used in different ways, viz.

- on a non-credit-linked basis, where only the subsidy amount is used to acquire a property;
- on a credit-linked basis, where a home loan is also obtained from a mortgage or non-traditional lender to buy property; and
- on a project-linked basis, which provides housing opportunities for individuals to own project. This has to be approved by the Provincial Housing Boards (PHBs) first.

The objectives of government's subsidy programmes are listed as follows:

- ownership subsidies aimed at assisting individuals to acquire ownership of residential property by either accessing such subsidies on approved projects or individually;
- collective ownership subsidies aimed at facilitating the application of collective housing models through which individuals acting in co-operation with others on a collective basis, can access appropriate housing;
- social housing subsidies aimed at providing subsidies to institutions created to supply affordable social housing to the lower end of the market;
- rental subsidies, anticipated to be aimed at institutions created to provide affordable subsidised rental accommodation to the lower end of the market; and
- subsidies directed at redressing anomalies created by previous policies implemented by government, including consolidation subsidies aimed at site and service schemes implemented under previous subsidy schemes (White Paper on Housing, 1994:31).

Through the consolidation subsidy, persons who, before the inception of the current Housing Subsidy Scheme, received housing assistance from the state in the form of ownership of serviced sites only (including Independent Development Trust serviced sites) can apply for a further benefit from the state to improve their housing situation. The consolidation subsidy is granted for the provision or upgrading of a top structure on such a site. The subsidy amount is fixed at R7 500 for persons earning R800 a month or less and R5 000 for those earning R801 to R1 500 a month.

It is important to mention that the two lowest income categories of the housing subsidy, namely R0 – R800 and R801 – R1500, were merged into one category in December 1997 (see Appendix 4). It is said in the White Paper on Housing that the main purpose of the government in providing housing subsidies to low-income earners to acquire residential property, is to give them access to financial institutions to obtain home loans, in particular the credit-linked subsidy. The Minister of National Housing, Ms Sankie Mthembi-Mahanyele, said in the interview with Leading Edge, "we have to accommodate the unbankable poor - the majority of people in this country – 70% of those in the low-income group who have no access to credit. They need shelter" (Leading Edge, 1996:18). The low-income earners were not given such an opportunity to have access to credit. It was difficult for them to meet the financial institution's requirements because of the problem of insecurity of tenure.

This study included interviews with Khayelitsha residents who live in informal settlements. They were asked about the government financial system for the provision of housing and how they feel about the current housing subsidy scheme. Most of the respondents (92%) said they did not know about the housing subsidy scheme. Those who had a little information said they did not know how it works. They would like the government to give them information or to conduct education programmes regarding housing subsidies (see Appendix 4). The former Director-General of the Housing Ministry, Mr Cobbett, has admitted this weakness. He said, that there has been very low public awareness of the subsidy scheme in former disenfranchised and disadvantaged communities. "Education on how and where to apply for government subsidies and bank loans is very important" (Leading Edge, 1996:19). There has also been an outcry from the various Members of the Executive Councils (MECs) for Provincial Housing Departments regarding the lack of education about the current government subsidy schemes.

In the Western Cape, interviews were conducted with Gray, who was responsible for individual subsidies and Van Rensburg, who was the senior Administrative Officer in the Provincial Housing Department at the time of the interviews (see Appendix 4). They both raised the aforesaid problem. Van Rensburg stated that because of the complexity of the subsidy system, it would be better if people could be allowed to submit their household income levels individually, because the government had a lack of capacity in its institutions charged with the task of processing housing subsidies. Interviews were also conducted with Sims, an ABSA consultant, who undertook to provide information about the role of the banks on credit-linked subsidies aimed at assisting low-income households to obtain home loans from mortgage institutions as a supplement to government's subsidies (see Appendix 4).

It is important to state that most of interviewees did not possess information or did not understand the subsidy system. Those who possessed information thought that the entire R15 000 would help to buy a top structure only, i.e. there would be no deduction for the site and underground infrastructural development. Interviewees complained that the R15 000 was very little for buying a house, and said that the house might be an one-bedroomed house ("Uno houses" or "Vezinyawo") like the core houses built by the previous government, ranging from A section to J section in Khayelitsha. If that is the reality, the backyard shacks will continue to exist.

The present government, to effectively address housing and developmental problems both in rural and urban/metropolitan areas, is complaining about financial resources constraints. It is reported that South Africa has a huge foreign debt created by the previous government. In an interview with SABC Focus (11/11/1996) former President Nelson Mandela complained that his government had R254 billion debt and R34 billion of the country's GDP was used to service/pay this debt annually. He said this made it difficult to fulfil promises made before the 1994 general elections and that only a 6% economic growth rate per annum could enable the government to effectively address the developmental problems.

In research conducted amongst informal settlements regarding household income levels, it was found that most of the Khayelitsha residents who live in these areas, receive an income of R201 - R500 per month, and a very few an income of R501 - R1 000 per month. This means that there will be a small percentage who will fall within the R801 - R1 500 income category, eligible for the R12 500 subsidy to buy a house of R33 138.

The government complains about limited public financial resources, and says it is difficult to reach all the poor (70%), which embodies the majority of South Africa's population. Therefore, the government needs to form a partnership with private sector or all the stakeholders involved in housing provision.

6.3.2 Private Sector Involvement

In the effort to involve stakeholders in the housing sector, especially from the private sector, the government has negotiated and reached many agreements, like a banking code of conduct for housing finance, general lending considerations and an agreement on lending targets, disclosure and monitoring mechanisms that have been negotiated with the Association of Mortgage Lenders (AMLs). It is hoped that these historic agreements will eventually result in the large scale resumption of lending on a transparent, accountable and sustainable basis, starting with a target of 50 000 loans during 1995/96 at the lower end of the market (down to loan size of R10 000) and growing to exceed 100 000 loans per annum by 1999 (White Paper on Housing, 1994:47). In some parts of the country, this agreement is being implemented or is in progress, especially in areas where the call for Masakhane has been heeded and is successful. It is important to state that there are still areas which the banks in the past have

redlined and the government has not yet given the banks free hand to operate in such areas (risky areas with bonds defaults). Khayelitsha is one of them. ABSA consultant Sims said that Khayelitsha is still a problematic area in terms of housing investment by the financial institutions. As yet, the government has not given banks the permission to work within the area, because it is still a risky area. Sims stated that this is the position of all the banks in South Africa involved in housing investment.

In its efforts, the government implemented a number of facilitative measures aimed at creating an environment conducive to sustainable housing credit provision. The government has recognised and undertaken a number of facilitative measures or interventions discussed below to involve major banks as the most significant sources of finance for housing provision to supplement housing subsidies.

6.3.2.1 Mortgage Indemnity Scheme (MIS)

Financial institutions have, over the last few years, suffered losses as a result of bond boycotts or defaults, in particular in African townships. As a result, financial institutions have identified a requirement to be indemnified against a recurrence of such a situation where lending has to take place in areas where such a risk may exist, e.g. Khayelitsha. As a temporary measure to overcome these concerns of financial institutions and enable an immediate large scale resumption of lending at the lower end of the market, government has vowed to implement an indemnity scheme in terms of which the state will indemnify accredited financial institutions against losses incurred under circumstances where beneficial vacant access to underlying securities cannot be obtained, due to the breakdown in the due process of law (White Paper on Housing, 1994:48).

The scheme is introduced in three phases only and cover will be provided for all existing performing mortgages as well as new mortgages granted by accredited financial institutions. Claims will only be met where loans were made in terms of lending considerations approved by the mortgage indemnity scheme and will be subject to defined limitations. This is the same MIS that regards Khayelitsha as an area which is still too risky for lending by mortgage lenders.

6.3.2.2 Service Organisation (SERVCON)

Government and participating mortgage lenders are jointly establishing a service organisation (SERVCON). This organisation is intended to specialise in providing assistance to individuals experiencing difficulties in continuing to meet their obligations under existing loans. SERVCON, in addition, is also intended to provide an ongoing service to the mortgage indemnity scheme and financial institutions with regard to new properties purchased under the MIS or new loans experiencing difficulties under cover of the MIS.

6.3.2.3 National Home Builder Warranty Fund

Poor workmanship and other product defects have, in the past, contributed to payment stoppages and consequent losses by financial institutions. This has been the case in Mandela Park, Khayelitsha. The households have complained about the structural defects caused by poor quality of building materials used. Interviewees said they would be very happy if the government could help them repair or maintain their houses so that they could resume the bond payments.

Government is of the view that contractors should be obliged to stand behind products delivered to vulnerable consumers without the necessary knowledge and expertise to assess the technical integrity of the product received. It is further believed that the construction industry as a whole should create a mechanism through which accredited contractors' warranty will be backed by a central warranty mechanism in the event of such a contractor failing or not being able to meet his/her warranty obligations. The construction sector has responded positively to a proposal for self-regulation and the creation of such a warranty mechanism within the industry.

6.3.2.4 Consumer Protection

Many instances of malpractice around the advertising and marketing of lower cost housing as well as fraud and theft of deposits have occurred in the recent past. It has been realised that housing consumers have become easy prey for many unscrupulous operators in this market, and not all of them can be described as small or "fly-by-night". Relatively low entry barriers

to the home building industry exacerbate this situation, which attract opportunists who in many instances do not last long. Such malpractice has occurred in Town 3 Village 5, Khayelitsha in which the erection of 2 536 housing units in terms of the consolidation subsidy scheme was intended at the amount of R18 197 500 from the Provincial Housing Board (Lingeletu West Administration, 5 September, 1996:14). The name of the contractor or developer was Build for Africa. A total of 77 housing units were in various stages of completion when the former Lingeletu West Transitional Council discovered malpractice. The project was suspended because a dry stack building method had been used for the construction of the houses. The fact that the building blocks were loosely stacked resulted in controversy regarding the building methods employed. As a result of this controversy, numerous meetings involving the community, Council and technical consultants took place and it was agreed amongst the parties to call for new proposals.

It is realised that many problems associated with the provision of finance and the exploitation of consumers relate to the low levels of awareness and understanding of the technicalities around housing and housing finance amongst the majority of the population of South Africa. The government, in order to overcome this problem, vowed to create a National Housing Education Fund aimed at informing and educating the general public about housing matters.

It is hoped that the National Home Builder Warranty Fund, consumer protection and the National Housing Education Fund will assist the low-income people who for many years have been the victims of exploitation and fly-by-night private developers, as was the case in Mandela Park and Town 3 Village 5, Khayelitsha recently.

6.3.2.5 National Housing Finance Corporation (NHFC)

Following extensive investigations, including international expertise from a number of countries, it was concluded that an institution tasked with unlocking housing finance at the wholesale level at scale and on a sustainable basis had become necessary for South Africa. Government is therefore currently (1996) finalising the detailed design of a National Housing Finance Corporation with the mandate to promote and facilitate sustainable provision of credit at scale, predominantly in the government-subsidised housing market. The functions to be performed by the proposed corporation will include the following:

As agency of the government:

- the accreditation and monitoring of lending patterns and performance of lending institutions;
- the identification, encouragement and support of viable, people-driven, innovative approaches to mobilisation of savings and credit;
- the management of the National Housing Education Fund;
- the management of the proposed (temporary) Mortgage Indemnity Scheme (MIS); and
- overseeing and monitoring the activities of the proposed SERVCON.

As agency for the National Housing Board:

- the administration of credit-linked subsidies and credit-linked savings schemes.

As parastatal business corporation:

- the possible partial underwriting of fund mobilisation by lending institutions involved in experimental lending activities at the lower end of the market;
- the funding or partial underwriting of the funding of rental and social housing retailing institutions;
- the introduction of securitisation instruments into the market;
- providing a conduit for international investment earmarked specifically for housing in South Africa;
- the issue of paper in the market for purposes of funding activities or the partial underwriting of paper issued by retail lending institutions;
- the management of a proposed equity assistance fund for specialised lenders, including specialised (national or provincial) state corporate retail lending entities;
- the monitor/regulation of the National Home Builders Warranty fund; and
- research and development activities regarding the promotion and facilitation of credit provision in the country, both at the wholesale (funding) and retail levels (White Paper on Housing, 1994:51-52).

It is hoped that the proposed corporation will be the main funding source or institution for the implementation of national housing policy and strategy in conjunction with Provincial Housing Boards and Local Authorities. This is evidenced by its broad envisaged functions.

Concerning rural housing finance, subsidies have not yet (1996) been broadened to include housing in rural areas. Because of this shortcoming of housing subsidy schemes, it is said that the proposed National Housing Finance Corporation (NHFC) will have, as an explicit part of its mandate from government, the responsibility to investigate, design and introduce or promote mechanisms through which access to credit for housing purposes can be substantially broadened. This aspect will also form an integral part of the envisaged Agri-village pilot programme as well as other approaches under consideration for subsidy purposes. It is further anticipated that the issue of rural credit is to be the subject of a Presidential rural finance enquiry, which is likely to provide greater clarity on the status quo and way forward in this regard (White Paper on Housing, 1994:52).

It is to be welcomed to find that there are efforts being undertaken by the government to fund housing in rural areas. For many years and throughout the Third World or developing countries, rural housing has been neglected. Sometimes, the reason is limited public financial resources to finance both urban and rural housing. In some instances, it is because of the slogan designed and adopted by the governments of the developing countries, namely "let the rural people provide their own shelter" (Chenga in Zinyama, et al, 1993:46), or "rural housing should be left alone to take care of itself" (Maganga and Ndjovu, 1982:9) meaning that as the general socio-economic conditions of the country improve so will rural housing.

The effective implementation of the national housing policy and strategy is dependent on the capacity of the institutions charged with the task of implementing the policy. The lack of capacity and institutional bottlenecks has been reported as the root cause of slow delivery in the housing programme throughout the country. This necessitated an examination this problem.

6.4 INSTITUTIONAL ARRANGEMENTS

"Another major stumbling block has been the lack of managerial and administrative capacities at the second and third tiers of government (provincial and local government respectively) and the slow progress of essential infrastructure and services in the impoverished areas" said Mr Cobbett, former Director-General of the National Housing Ministry in an interview with *Leading Edge* (1996:19). This has also been admitted by the

Minister of National Housing, Ms Sankie Mthembi-Mahanyele, in disclosing that her office has issued over 300 000 subsidies which have not yet been transformed into housing, mainly because of administration problems. She said, "it's not a simple process of title deeds, rights of tenure, it's a whole big package, and we need to strengthen our management capacities in the provinces so as to have good people to manage our projects and our project subsidies" (Leading Edge, 1996:18).

A rationalised governmental, statutory and parastatal institutional framework within which the national housing strategy will be implemented is a priority to government. For instance, it was realised that fragmentation, overlap, wastage and inefficiencies in the institutional set-up for housing must be removed wherever present, in order to establish an institutional basis from which a sound long-term strategy can be launched (White Paper on Housing, 1994:32). Establishing appropriate linkages and relationships between national and provincial/local governmental, statutory and parastatal corporate institutions were viewed as a priority by government in order to achieve maximum efficiency and effectiveness of governmental housing programmes and to overcome the problem of fragmentation and overlapping. It appears, however, as if this has not been achieved, because the institutional bottlenecks or lack of capacity is still reported as the main cause of slow delivery throughout the country.

This, therefore, suggests the need for vigorous and speedy processes of rationalisation and restructuring. In this process institutional infrastructure, capacity and development have to be considered as the strategies to overcome this problem.

Institutional infrastructure implies organisation structure, human resources and systems and procedures necessary for the administration and management of provincial/local government policy within the specific environmental or societal norms - political, legal, cultural - in which the organisations have to function and to discharge their roles. Institutional capacity implies the potential to concert and operationalise effectively the various elements of the institutional infrastructure in managing development policy (Corkery in Meyer *et al.* (eds.), 1995:44-49). Institutional development is concerned with the development of an institutional infrastructure with the capacity described above. It can involve the creation of new organisations, restructuring of existing ones, human resources development, and new systems and procedures. Because personnel capacity is fundamental to institutional capacity,

organisations cannot work, nor can systems, without competent personnel to operate them (Corkery in Meyer *et al.* (eds.), 1995:44-49). This is the challenge for the Provincial Housing Boards, Cape Metropolitan Council (CMC) and its various substructures, in particular the Tygerberg Substructure. The same ideal was echoed by Cobbett, former Director-General of the National Housing Ministry, when he stated that one of the immediate challenges of local government councils, is to facilitate the building of new capacity and skills at the third tier and to increasingly include local governments in the institutional framework. This could be realised by effectively empowering newly-elected local government structures, as otherwise the lack of institutional readiness or capacity will increasingly cause bureaucratic bottlenecks (Housing in Southern Africa, 1996:11).

It is hoped that the National Housing Education Programme, attempted by government, will help to empower or give the necessary skills to housing officials and beneficiaries. On the other hand, the Red Book, which gives the guidelines for the provision of engineering services and amenities in residential township development, could also assist (White Paper on Housing, 1994:15). The Red Book could assist by providing information and guidance to planners and designers in redeveloping residential townships such as Khayelitsha.

Despite problems related to land issues, housing finance and housing delivery discussed above, there has been considerable progress, which varies from province to province depending on its institutional capacity. To ascertain this progress, the study has interviewed the National Department of Housing through questionnaires. Before presenting the responses of the National Housing Ministry, it is important to give an overview of the existing housing backlog statistics nationally, provincially and in Khayelitsha specifically.

6.5 PROGRESS IN HOUSING DELIVERY

Briefly, the existing (1996) housing backlog is said to be 1,5 million units, according to the White Paper on Housing (1994: 11). However, this figure is takes into account households that are sharing a house or parts of a house, or those of a size that makes a hostel room unacceptable. It is said that in South Africa, approximately 800 000 households are living in unacceptable living conditions in shacks.

Contrary to the figure stated above, the Minister of Housing, Ms Sankie Mthembu-Mahanyele, has recently given different figures of housing shortages, for example, she said that the housing shortage countrywide was 3 million, of which 1 million was for Gauteng alone (SABC News, 10/05/1995). It is important to state that there are no accurate estimates of housing shortages as yet in South Africa, for example, Du Toit & Falkena (1994/1995:8) give a total of 1,3 million units.

According to the then Provincial Housing Minister, Gerald Morkel, in the Western Cape there is an estimated shortage of 200 000 houses (Cape Times, February 26, 1996:1). It is an acknowledged fact that in 1995, spending on housing did not meet the expected levels as a result of various constraints and in the mentioned article, the Cape Times revealed that the Western Cape had been under pressure with regard to the pace of housing delivery. This pressure has been experienced as a result of problems attributed to the lack of capacity in the institutions responsible for housing delivery (institutional bottlenecks). These institutions lack the ability to spend money on housing, for example, it was said that 80% of the money allocated for housing that year (1996) was still to be spent. Only R659 million, less than 21% of the total R3,15 billion available, had been spent countrywide by the end of January that year, of which only R19 million (47,3%) was spent by the Western Cape.

Cobbett confirmed that there was an unspent pool of funds totalling R2, 5 billion, R700 million more than the total R1,8 billion allocated for housing in the 1994/95 financial year and rolled over in 1996. National Housing Minister, Sankie Mthembu-Mahanyele, said that the full R1,8 billion allocated for housing in the then current budget had been allocated to the provinces (Cape Times, February 26, 1996:1).

According to the Western Cape's 5-year housing expenditure programme (1996:8), the Western Cape received R205,2 million during the 1995/96 financial year out of a total amount of R2,2 billion. This represented 9,3% of the total budget and therefore 9,3% of the R1 billion per year could be allocated to the Province in addition to the R205,5 million that was allocated during 1995/96. Added to the R1,8 billion to make R2,2 billion were funds from the RDP Fund.

With regard to housing shortages in the case of Khayelitsha, this study regards all the shacks (total number of shacks in the unserviced and serviced areas) in the informal settlement areas as constituting the total housing shortage in Khayelitsha, because, according to the housing standards laid down in the RDP (1994) and international housing standards for proper homes, the shacks do not meet such standards.

As indicated above, this chapter will present some responses from the National Housing Ministry with regard to the progress made by government in housing delivery. According to Cobbett, a total of 47 191 individual ownership subsidies were approved by the nine provincial housing boards within the framework of the subsidy scheme in respect of beneficiaries who had bought residential properties. This was the total number for the period from the beginning of the implementation of the government's Housing Subsidy Scheme on 15 March 1994 up to 30 April 1996. Of the 47 191 subsidy beneficiaries who had housing units, 19,7% enhanced their subsidy by means of credit. The average monthly delivery in respect of individual ownership subsidies for the period 15 March 1994 to April 1996 amounted to 1 851 and for April 1996 only 5 026. The average monthly delivery in respect of individual ownership subsidies approved increased from a monthly average of 536 for the period 15 March 1994 to 31 August 1995 to a monthly average of 4 793 for the period 1 September 1995 to 30 April 1996. In macro terms delivery in respect of individual ownership subsidies increased from 8 845 at the end of August 1995 to 47 191 at the end of April 1996.

With regard to the budget, for the 1995/96 financial year the amount was R3 595 862 000 and for 1996/97 it was R1 501 993 000. The difference is R2 093 869 000. For the provinces, National Housing Minister, Sankie Mthembu-Mahanyele said that R1,8 billion had been allocated to the provinces for the 1996/7 budget (Cape Times, February 26, 1996:1). A further 200 000 housing subsidies were approved which could be divided amongst the nine provinces. Of this figure, the Western Cape received 22 800 housing subsidies. The total figure was shared according to the total housing backlog in each province. The highest figure was Gauteng (48 600) followed by KwaZulu/Natal (39 000), the Eastern Cape (30 400) and the Western Cape (22 800).

Regarding the role being played by financial institutions and employers in assisting the government in housing provision, it can be said that due to limited state resources a broad

partnership has been negotiated with the private sector. The government has introduced a number of temporary incentives and measures in order to create a more conducive environment for private investment and the provision of credit in the former "red-lined" areas by the banks. The incentives and measures include a Mortgage Indemnity Scheme (MIS) and SERVCON. A banking code of conduct for housing finance, general lending considerations and an agreement on lending targets, disclosure and monitoring mechanisms have been negotiated with the Council of South African Bankers (COSAB) through their home loan mortgage lending wing, the Association of Mortgage Lenders (AML). This Agreement of Understanding was signed on 20 October 1994 in Cape Town by Liebenberg, Chief Executive Officer of COSAB, Myburgh, President of the Association of Mortgage Lenders and the late Minister of Housing, Slovo, representing the government.

In realising of the mammoth task faced by the government in housing provision, employers have a role to play in improving the housing conditions of their employees. This process and challenge should be undertaken in consultation with the affected workers and the representatives of trade unions. In Khayelitsha, for example, next to the Lingeletu West administration buildings, a project consisting of 33 houses at a total cost of R2, 1 million was executed. The prices of houses were between R32 000 for 40,7m² to R42 800 for 56m². Transnet Corporate built these houses for Transnet employees (Housing in Southern Africa, 1996:34).

The RDP stated that the government would build 1 million houses in 5 years (1994-1999 period). When questioned in this regard the then Director-General of the National Housing Ministry, Cobbett responded that the government's goal was to increase housing delivery on a sustainable basis to a peak level of at least 350 000 units per annum to effectively address the housing backlog.

Considering the pace of housing delivery in all nine provinces, one would argue that it would be difficult for the government to reach the target of 350 000 units per annum because of institutional bottlenecks. Even reaching a 1 million target is not an easy task for the remaining years to 1999. The Ministry of Housing has taken note of institutional bottlenecks, which are inhibiting the delivery of housing and appointed a special task team to seek ways of addressing this problem. Another problem to mention with regard to the responsibility of

the government in housing the poor, was that approximately 66% of households in South Africa earn less than R1 500 per month and are in the income category which does not qualify for private sector assistance. These people rely mainly on the government subsidy and their own capital for their housing needs.

Statistics regarding the housing delivery process in the country are presented in Appendix 1 (Annexure A-E). These include the progress made by all nine provinces until 30 April 1996. The National Housing Ministry has not yet gathered the statistics from 1 June 1996 to 31 December 1997. This information regarding the progress in housing delivery for the above-stated period is said to be available only in the local authorities of the respective areas in the country. In this regard, the National Housing Minister, Sankie Mthembi-Mahanyele said that 36 000 houses have been or are being built in the Western Cape (Cape Argus, Thursday 9 October, 1997:1). She told Parliament that 11 297 individual ownership subsidies had been approved by the Western Cape provincial housing board during 1996 and that a further 7 721 subsidies had been approved in the first seven months of 1997.

In relation to the above-stated statistics on houses, according to Khayelitsha's Lingeletu West Administration there are no houses in Khayelitsha which have been or are being built through government subsidies since 1994 (Mgudlwa in an interview -see Appendix 4). The Council is still in the process of transferring sites in the site and service areas and core houses (i.e. issuing title deeds). The only houses that have been built in the Ilitha Park area, were built by private developers e.g. Housing Africa, CONDEV, etc. for which the statistics are only available with the South African Housing Trust (SAHT). According to Mgudlwa the Council is usually provided with statistics by SAHT.

An investigation undertaken by the Cape Argus reports that in three municipalities the number of families needing accommodation, is conservatively, 120 000 - there are 35 000 on Cape Town's waiting list, 76 000 on Tygerberg's and 9 000 on Blaauwberg's. The waiting lists are for only the lowest income bracket - those earning up to R1 200 - and are provisional. Tygerberg, which includes Bellville, Bonteheuwel and Valhalla, Khayelitsha and Mfuleni and was at that time still amalgamating the several council areas it inherited, did not have a list reflecting the real situation, according to a council official who provided the figures (Cape Argus, Monday 20, 1997:1).

Although Tygerberg has 76 000 families who need accommodation, the number could possibly be more because of housing shortages in Khayelitsha. It has to be remembered that in Khayelitsha 75% of the shelters are shacks. This indicates a housing crisis in the Western Cape in general and in Khayelitsha in particular.

It is clear that the pace of delivery is slow. Khayelitsha is the largest African township in the Western Cape Peninsula, but it is said that so far (1997) not a single house has been built through government subsidy (Mgudlwa in an interview). The response from the Lingeletu West Administration official is testimony to that effect. One might wonder how the government will be able to reduce the housing backlog in the area or even reach its goal of 350 000 units per annum, towards 1 million houses targeted over five years. The institutional bottlenecks that have caused delays in delivery have to be addressed by all three tiers of government and other role players in the process.

6.6 CONCLUSION

In view of the existing housing situation in South Africa in general, it is clear that the government is faced with challenges. Many people in South Africa do not have access to basic services such as water, sanitation systems and electricity. In addition to that, there are the problems of homelessness, high unemployment levels and landlessness, which are increasing at a high rate. The greater flow of rural people from rural to urban/metropolitan areas exacerbates the existing urban housing shortages and lack of its related infrastructure and basic social services. The government therefore has to seek ways of addressing these problems. How to address these problems depends on the capacity of the institutions of governance responsible for implementing the policies and strategies of the national government at grassroots and provincial level. Equally important, is the land reform programme. In this respect, the government has responded to the need by developing a land reform programme, which has three principal elements:

1. Redistribution is a broad-based programme, which aims to provide the disadvantaged and the poor with land for residential and productive purposes. Its scope includes the urban

and rural "poorest of the poor", labour tenants, farm workers as well as new entrants to agriculture.

2. Land restitution covers cases of forced removals, which originate since 1913. They are being dealt with by a Land Claims Court and Commission, established under the Restitution of Land Rights Act, 1994.
3. Land tenure reform is being addressed through a review of present land policy, administration and legislation to improve the tenure security of all South Africans and to accommodate more diverse forms of land tenure, including types of communal tenure.

The government has adopted a two-pronged approach. On the one hand, it is striving to create an enabling policy environment and on the other hand, it is providing direct financial and other support services. The Department of Land Affairs and Agriculture offers a set of grants in support of the Land Reform Programme, each applicable in varying respects to the three principal programmes stated above. The Settlement/Land Acquisition Grant is set of a maximum of R15 000 per beneficiary household, to be used for land acquisition (to buy land), enhancement of tenure rights, investments in internal infrastructure, and home improvements according to beneficiary plans.

The Government's Land Reform Programme is falling short in redressing the imbalances of land ownership created in the past. For instance, in the redistribution programme the government has offered a grant of R15 000 for an individual household to purchase land on the basis of a willing-seller willing-buyer, but if the landholders are not willing to sell their land the problem continues unchanged. It is also creating land markets for exploitation of the poor and the disadvantaged, and will subsequently exacerbate the inequalities in land access and income.

With regard to restitution, there is a widespread criticism that the cut-off date, i.e. 19 June 1913, is inadequate. It should start prior to 1913 and it should not emphasise title deeds because the Africans did not have title deeds. In the urban areas they were not allowed to own land (were denied rights to own land/property), while in the rural areas traditionally many things of importance for the African people were not written on pieces of paper, but in their minds and hearts. As far as land tenure reform is concerned, the government or Green

Paper on Land Policy is not explicit on which tenure system will be adopted in South Africa, the freehold or the leasehold system.

In line with the government's efforts, of paramount importance is the availability of land on which to build houses. It would be of little value to talk about housing finance and building materials without addressing the issue of land unavailability in the African townships for housing and other development projects. It has been pointed out that the rate of urbanisation in South Africa creates numerous urban/metropolitan problems such as the inability of these areas to absorb all migrants from the impoverished or poverty-stricken rural areas, consequently resulting in "squatting" and "land invasions". Other urban problems are high levels of unemployment, overcrowding, inadequate infrastructure and the lack of basic social services. The extreme levels of poverty in rural areas and decline in agricultural production and livestock have contributed significantly to the problems faced by the urban/metropolitan centres of South Africa.

It has been clearly demonstrated that there are a number of issues that contribute significantly to the delays or slow process of housing delivery like, for instance, the slow process of releasing land for housing and other development purposes. This fact has even been admitted by various ministers, e.g. Minister of Land Affairs and Agriculture, Mr Derek Hanekom, Minister of National Housing, Ms Sankie Mthembi-Mahanyele and her former Director-General, Mr William Cobbett, and the MECs for Provincial Housing Departments.

Turning to the focal point of the study, much has been said about the housing conditions in Khayelitsha. The discussion has centred on existing housing conditions in Khayelitsha as a case example for the African townships in South Africa. The area is characterised by severe problems of unemployment (60%), housing and infrastructure provision. With regard to the form of shelter in Khayelitsha, 75% is informal housing (shacks), while 25% is formal housing (the bond and core houses). Generally, these problems are reflected in the growing numbers of the urban poor who eke out a marginal existence in the so-called "informal sector", the proliferation of "squatter" settlements in the area and in the growing difficulties in transportation, water and energy provision. Despite the electrification of other serviced areas, life in the unserved areas is still harsh.

The government's housing subsidy scheme has not yet been implemented in Khayelitsha. The Lingeletu West Administration is still in the process of transferring the sites to the people concerned, paving the way for housing subsidy implementation in the area. It is also noted that institutional capacity for implementation was a critical issue blocking delivery. On the whole, neither the national level, the provinces, nor local governments are exhibiting the capacity to effectively deliver the policy in the manner intended. In the case of Khayelitsha, the Lingeletu West Administration, particularly the Cleansing Department, has demonstrated this problem. It is noted that the uncollected refuse that results in an unhealthy atmosphere (health hazard) is caused by the lack of capacity (under-staffed or under-resourced) and the lack of a proper waste management system. This demonstrates an enormous need for capacity building. Officials at all levels (three tiers) of government need to be empowered, re-trained and re-orientated so as to enable them to carry out the policies of the new democratic dispensation as intended.

Apart from existing housing conditions and the land issue, the chapter has also discussed the system of housing finance in South Africa. With regard to the housing finance system, the government's housing subsidy scheme is said to be very small, especially if the price of a plot and infrastructural development is included in that amount. Many households said that it would be better if that amount were intended only for the top structure of a house, and not for the plot and underground infrastructure as well. So if that is the case, it will fall short of addressing the housing problems, especially in African townships. It has been noted that the South African government has so far managed to set up some structures temporarily in an effort to stabilise the environment so as to make it conducive to investment by the private sector in the housing provision process. In the process of stabilising the housing environment, the government established some new institutions; one of these institutions is the National Housing Finance Corporation. The National Housing Finance Corporation (NHFC) constitutes a long-term intervention aimed at providing structural adjustment within the established financial sector to improve access to finance for those historically denied such access. Other structures established by government are SERVON and the MIF. These two structures have been operative since June 1995 and are key players in stabilising the housing environment.

The land reform programme, if implemented speedily and effectively, could help to alleviate some of the problems such as the landlessness, “land invasions”, inequalities and poverty in general. The macro-economic strategy which was launched recently could help to remedy the economic instability and social instability caused by crime as a result of high levels of unemployment. The current government housing subsidy scheme could help to alleviate the problem of access to credit especially for the low-income earners. However, many people complain that these subsidy amounts are very small to meet housing needs. It is hoped that the government’s efforts (land reform programme, housing subsidy scheme and macro-economic strategy) could help to improve the economy, housing situation, poverty and development in general.

The next chapter (the final chapter) will be devoted to summing up the research findings and providing possible recommendations.

**SUMMARY AND
RECOMMENDATIONS**

OBJECTIVES

- To summarise the research findings
- To provide recommendations

**7. SUMMARY, RECOMMENDATIONS
AND CONCLUSION**

7.1 SUMMARY

Much has been said about the problem of housing and development in South Africa. There are number of issues attributed to these problems. One of these problems is the development of a political economy, at the beginning of the industrialisation period, that stripped the rural areas of their rural resources (agricultural production, livestock and human resource through migrant labour system) and the whole legacy of the apartheid colonial system. To achieve this system, the 'corporate State' used instruments such as the Land Acts of 1913 and 1936, and the 'Hut and Poll Tax'. These effectively pushed the Africans off their ancestral land to become wage labourers in the cities. The reason for highlighting these issues is that it is important to address the root causes rather than to merely deal with the symptoms of the problems. To focus on addressing the urban problems of housing and development only without also addressing rural development issues will not help to solve the urban housing and development problems in South Africa. It is necessary to link the urban problems with rural development issues. As indicated, the rural development problems have contributed significantly to the existing housing problems in South Africa's urban/metropolitan areas. Such problems include are overcrowding, an increasing "squattening and land invasion" as a result of land unavailability or the slow pace of land release for residential purposes, and the lack of basic infrastructure and social services in the African townships.

The study has conducted empirical research on housing and other related development issues in Khayelitsha in particular and South Africa in general. As pointed out earlier Khayelitsha is not an isolated African township, it is part of South Africa. Therefore, any policy strategy implemented in South Africa also affects Khayelitsha whether directly or indirectly.

The root causes of rural-urban migration (rapid urbanisation) have been identified, analysed and discussed extensively throughout the study. "Push-pull factors" have been identified as the root cause of rapid urbanisation in South Africa. As has been stated in the formulation of the research problem, low levels of socio-economic development in rural areas leading to

abject poverty, unattractive rural social life, deterioration in agricultural production and livestock, extremely low income, lack of employment opportunities resulting in high unemployment levels, lack of infrastructural development (e.g. telecommunication systems, proper transportation system, sports and recreation facilities and local market for agricultural production) and lack of access to basic social needs/services (piped water supply, sewerage/sanitation system, electricity, better health and education facilities, amenities/village facilities, etc.) are the most cited root causes. This has resulted in young rural people (ranging between the ages of 20-35) leaving their villages to move to urban/metropolitan areas in anticipation of a better life. In addition to the above rural developmental problems, is the lack of access to adequate land. This was caused by the past discriminatory laws such as the Native Land Act of 1913 and the Development Trust and Land Act of 1936.

The thesis has also undertaken a comparative study. Tanzania and Zimbabwe were chosen for this purpose. In Tanzania, Dar es Salaam and Dodoma were used as case studies to analyse and examine aspects such as land issues, urbanisation trends, housing conditions, housing finance system, and other related housing and developmental issues. In Zimbabwe, Harare was chosen as a case study to analyse and examine the same aspects as stated above. In both cases, the research findings are that the governments of these countries are still confronted by huge developmental problems, as stated in Chapter 3.

Despite these problems, there are important lessons that can be learnt from the two countries. In Tanzania, these are the rurally-focused development programmes such as Ujamaa Villagization Settlement, and industrial and administrative decentralisation policies aimed at reducing pressure on urban/metropolitan centres. However, these programmes/policies proved unsuccessful due to public financial constraints attributed to poor economic performance and lack of foreign investment, although they were a positive effort at finding a practical solution to the problems of urbanisation (concentration of people to the cities) and urban housing shortages. In Zimbabwe, the strategy for solving the problem of land unavailability for housing (to settle crowded communities) and other development purposes can be a lesson to South Africa in addressing the land issue.

It is also important to state that the economic performances of these countries have been taken into account. Although economically some people regard South Africa as the “power house” in the Southern African region, its Gini-coefficient is nearly the same as Tanzania’s and Zimbabwe’s. For example, the Gini-coefficient for South Africa is said to be 0,55 while for Tanzania it is 0,59 and Zimbabwe 0,57 (World Bank in Chen *et al.*, 1993). The Central Statistical Service (1997) reported that in 1995 the Gini-coefficient for the whole country was 0,59. This is evidence that there is no vast different between the three countries in terms of the level of development, particularly in rural and peri-urban areas.

With regard to the South African case, various stakeholders have been interviewed, e.g. the institutions responsible for housing delivery; the private sector involved in housing finance and the provision of other infrastructural services; as well as the households affected by the current housing conditions and government’s policies and strategies (e.g. housing subsidy scheme) in the effort to address the housing situation. In addition, other information has been gathered through questionnaires. The empirical research analysis of the study confirmed that the above-mentioned “push-pull factors” (what Chambers called “the urban trap”) are the root cause of urbanisation contributing significantly to housing shortages and other related development problems in Khayelitsha in particular and South Africa’s urban/metropolitan areas in general. In turn, the manner in which urbanisation of Africans was managed through urban policies has also been identified as a chief contributory factor to the present urban housing problems in South Africa.

Turning to the case of Khayelitsha, the urbanisation trend in Khayelitsha’s informal settlements is in the form of oscillating migration. As a result, the Tygerberg Substructure is faced with the mammoth challenges of addressing these problems. These include problems such as the overcrowding caused by the land unavailability to settle new migrants; rising unemployment leading to crime; housing shortages (as evidenced by the number of shacks in the area); the percentage of economically active employable population out of work (60%) and a number of other developmental problems demonstrated as a result of this phenomenon (rural-urban migration). These therefore suggest that any integrated rural development programmes have to urgently address these problems. To adopt an urban-biased strategy has not helped in the past and will never help to solve the urban problems, because of resource constraints. It has to be stated that the housing provision in cities does not always keep

abreast with rapid urbanisation rate. It is characteristic of urban problems that as they are resolved they create congenial environments which serve to attract more people into the urban centres and thus recreate the problems. It is therefore necessary that programmes aimed at alleviating the urban housing problem be conceived and executed, as part of a general framework of urban, rural and regional development. Administration, employment and industrial decentralisation should accompany this programme. The lack of such a viable programme could further a massive 'rural exodus' that leads to "squatting", urban housing shortages, high levels of urban unemployment and other urban problems.

As has been pointed out throughout the study, this thesis does not intend merely to identify root causes of rapid urbanisation that lead to housing and other developmental problems in Khayelitsha in particular and South Africa's urban/metropolitan areas in general, but it intends to contribute towards solving the problem. In this respect, there are a number of recommendations that the government has to consider in addressing housing and development problems in South Africa's rural and urban/metropolitan areas.

7.2 RECOMMENDATIONS

The study recommends that in remedying the excessive concentration of population and economic activities in large urban/metropolitan centres and reducing regional inequalities, the government should consider the integrated housing and development strategies (counter-urbanisation strategies) suggested below. The main objectives of development policies in rural areas should be to increase rural incomes and general levels of welfare by focusing mainly on:

- more comprehensive rural development approaches aimed at providing viable incomes for all rural dwellers;
- policies to structurally change/transform the rural economy and thereby slow the rate of rural-urban migration;
- spatial development and planning, and basic infrastructural development as a pre-condition for industrial decentralisation;

- addressing the lack of access to resources – land, capital and basic infrastructure. Lack of access to such resources poses severe problems or constraints because access to the vital resources is necessary for rural dwellers to participate effectively in agriculturally-centred rural development programmes or schemes;
- land reform programmes aimed at intensifying or vigorously transforming agricultural-subsidised appropriate modern or mechanised production systems as opposed to traditional subsistence agricultural production systems characterised by low productivity. In this respect, the government should buy all the surplus of agricultural production as an incentives/encouragement for small scale rural farmers to produce more. The lack of local markets and marketing for rural agricultural products also needs to be addressed. Redistribution of land to the poor may reduce urban/rural income disparities and slow urban growth by raising agricultural incomes;
- promoting agro-industries for employment-generating opportunities or income-generating capacity to maximise employment;
- rural development policies designed to increase access to productive resources and credit facilities to buy equipment and fertilisers;
- the initiation of projects such as irrigation schemes, agricultural co-operatives and local markets;
- re-vegetation or re-afforestation to overcome the problem of soil erosion; and
- enhancing an integrated rural development programme by encouraging industrial, deployment and administrative decentralisation to the rural towns and villages; it is believed that modern agro-industries, land schemes, co-operatives, new or proper road and rail networks, and infrastructure provisions are typical of accelerating rural development efforts. Other forms of integrated and co-ordinated strategies should be through interprovincial and interdepartmental structures.

These strategies if implemented effectively are likely to maximise domestic savings for re-investment, because of the employment-generating capacity and the increased exploitation of

resource-rich regions i.e. making use of big rivers for irrigation schemes and domestic water supply and the promotion of export-oriented agriculture.

7.2.1 Urban Focus

In urban areas the focus should be on employment creation activities.

- Housing projects as a means of employment generation are likely to maximise employment opportunities.
- Housing projects have to encourage less capital-intensive and more labour-intensive construction methods.
- Opportunities for small businesses in the informal sector have to be promoted.

7.2.2 Rural Development Focus

In rural areas the focus should be on the:

- promotion of self-sustaining holistic rural development programmes to create employment, achieve food “sufficiency” and minimise urban drift;
- promotion of linkages with agro-based industries to be located in rural regions; This is possible only if there are proper transportation systems and telecommunication networks (road and rail networks);
- housing programmes likely to be supportive of programmes aimed at improving the general living conditions of rural and small town populations; and
- support of employment generating goals and expanding linkages with the local economy.

It is therefore suggested that there should be rural and urban divisions of housing programmes in South Africa. The rural land tenure system is not the same as tenure in urban/metropolitan areas; in the former case it is mostly traditional hereditary and succession and communally, while in the latter it is either freehold or leasehold. These two divisions

therefore have to focus on these different kinds of tenure systems for housing programmes in their respective areas.

7.3 CONCLUSION

It is believed that the purpose of this study should contribute significantly to providing useful information towards solving the problems of rapid urbanisation, housing and development in general facing not only Khayelitsha, but all of South Africa's peri-urban and metropolitan areas. Simply focusing on building more houses in the urban/metropolitan areas cannot adequately solve housing problems, because more people would leave their rural areas, expecting to get houses in the city centres. The cities are already unable to cope with the increasing demands of the urban people and to accommodate the new urban migrants in terms of employment and housing. Therefore, any housing solution has to be complemented with rural development programmes. Rural development can help to reduce the number of rural people who migrate to the city centres every year seeking better social and economic conditions. Interprovincial and interdepartmental structures can be used to co-ordinate development activities in the provinces and the sharing of information and resources on a holistic basis. In this respect, integrated rural development programmes are required to focus on strategies that could effectively address the lack of employment in rural areas, abject poverty and unattractive rural/village social living conditions.

People should be empowered not only in the urban/metropolitan areas, but also in rural areas. Training of community/village leaders is needed most in the rural areas. Institutions that provide training should be decentralised into rural areas. Without empowerment and people-centred or a participative style of leadership, development in rural areas cannot succeed and be sustainable. There could be no active participation. Rural people will always become dependent on the outsiders and so-called development experts. Empowerment would enable rural people to actively participate in developing their rural areas and minimise urbanisation.

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APPENDIX 1

The letter of introduction received from Dr APJ Burger on 21 May 1996 refers.

Dear Mr Nkwenkwezi

I would like to reply to the questions raised, as follows.

1. How many houses have been built throughout the country since 1994 (statistics) till May/June 1996?

Record is only being kept of houses which are erected with the assistance of state funds. However, since the implementation of Government's Housing Subsidy Scheme on 15 March 1994 until 30 April 1996, a total of 47 191 individual ownership subsidies were approved by the nine provincial housing boards within the framework of the subsidy scheme in respect of beneficiaries who had bought residential properties. Once individual ownership subsidies are approved, conveyances are instructed to register transfer of the residential property in the name of the subsidy beneficiary. In the case of existing homes and completed homes in projects, this means that the beneficiary can take occupation of the home soon after registration of transfer or earlier if the agreement of sale so provides. Where the housing unit is still to be constructed, indications are that construction is completed within two or three months after registration of transfer.

Comprehensive statistics in relation to housing delivery until 30 April 1996 are contained in the enclosed Appendix 1, indicating the delivery in the provinces. In view of the impediments which have hampered the expeditious implementing of Government's housing policy the Minister of Housing appointed a special task team towards the end of 1995 to identify the bottlenecks which are inhibiting the delivery of housing. The task team's first report, in which significant proposals were made in order to address the constraints which are hampering the delivery process, was made public during January 1996 and was also submitted to Cabinet for notification.

The following proposals are in the process of being implemented:

- General empowerment of provincial/local government levels in respect of housing, especially the empowerment of local authorities to administer housing subsidies.
- National awareness and educational campaign in respect of housing assistance available from government which entails a nationally co-ordinated and provincial extended comprehensive marketing and communication programme.

The following proposals have already been implemented:

- The national requirement for a social compact in respect of a housing project, has become a provincial matter at the sole discretion of the Members of the Executive Councils (MEC's) responsible for housing;
- progress payments have been introduced to alleviate the problems experienced by developers in respect of development capital; and
- existing legislation has been amended so that provincial housing boards are now directly accountable to the MEC's for housing. The amended legislation also provides that MEC's may accredit local government to administer national housing programmes in accordance with accreditation criteria determined by the Minister.

Attention is also being given to the implementation of the other proposals contained in the report with a view to address the identified constraints.

2. How many for low-income groups have been built through using the Housing Subsidy Scheme?

(Please see Appendix 3)

3. How many for middle- and high-income groups; if possible to get the statistics?

Government's Housing Subsidy Scheme only provides for the low-income households who earn R3 500 and less per month. Information in regard to middle- and high-income groups should therefore be obtained from the different local authorities.

4. What will be the negative effects of an interest rate increase on housing?

It is policy of the Department of Housing to assist the poor in obtaining suitable housing. An initiative is that Government provides subsidies to households earning less than R3 500 per month. The formal financial institutions have indicated that they are willing to extend loans to households earning more than R1 500 per month. However, the segment that qualifies for housing subsidies and private sector loans, earning between R1 500 and R3 500 per month, would be directly negatively influenced by an increase in the interest rate. An increase in interest rates will naturally lead to an increase in the cost of mortgage repayments, which will have a negative effect on the affordability of housing. Approximately 66% of households in South Africa earn less than R1 500 per month and it is in this income category which does not qualify for private sector assistance. These people mainly rely on the Government subsidy and own capital for their housing needs.

5. What is the involvement or participation of the private sector in the housing provision process: the roles played by financial institutions and employers in assisting the government ?

- **The suppliers of materials and services to the housing sector**

In realisation of severely limited State resources, a broad partnership has been negotiated with private sector. This include the material and services supply to the housing industry in which they positively promise to impose effective measures of self-regulation and control in order to contain inflationary pressures on the prices of goods and services.

- **The construction sector**

As with the suppliers of material and services to the housing sector, self-regulation within the construction sector of construction prices will be a critical element to the success of a large scale national housing delivery programme. Uninhibited escalation of construction prices will inevitably destroy any benefit to be attained from State subsidies and will unavoidably lead to the necessity for government imposed measures to counteract such a threat.

- **The financial sector**

Government recognises and accepts the responsibility to create and maintain a lawful environment in which contractual rights and obligations are respected and enforceable. At the same time it is believed that there is an obligation on the private sector to support Government in its efforts to stabilise an environment which has become increasingly destabilised over the past few years as apartheid structures broke down. The Government has introduced temporarily a number of incentives and measures in order to create a more conducive environment for private investment and the provision of credit in these areas. These incentives and measures include Mortgage Indemnity Scheme (MIS), Servon, etc. On the side of major banks, a banking code of conduct for housing finance, general lending considerations and an agreement on lending targets, disclosure and monitoring mechanisms have been negotiated with the Council of South African Bankers (COSAB) through their home loan mortgage lending wing, the Association of Mortgage Lenders (AML). AML members are: Standard Bank of South Africa, First National Bank, Nedcor, ABSA, Saambou and NBS. This Agreement of Understanding was thus signed on 20 October 1994 in Cape Town by Mr PJ Liebenberg (Chief Executive Officer of COSAB), Mr J P Myburgh (President of the association of Association of Mortgage Lenders) and the late Minister of Housing, Mr J Slove (representing the Government).

- **Employers**

The employers have the role to play to improve the housing conditions of their employees. This process and challenge would be undertaken in consultation with the affected workers and the representative of trade unions. In Khayelitsha, the next to Lingeletu West Administration, there is a project of 33 houses being built at a total cost of R2,1 million. Transnet – Corporate built these houses at prices between R32 000 for 40,7m² to R42 800 for 56m² s (Maclean and Shaw, 1996:34).

6. **How much has been budgeted for housing for the whole country for the 1996/97 financial year?**

R1 501 993 000

- **How much was it in the 1995/96 year?**

R3595 862 000

- **What is the difference?**

R2 093 869 000

- **How much for each province for the current financial year (i.e. 1996/97)?**

For the current financial year, approval has been given for the commitment of a further 200 000 housing subsidies which could be divided between the nine provinces as follows:

Free State	:	13 800
Eastern Cape	:	30 400
North-West	:	14 000
Northern Province	:	17 200
Mpumalanga	:	10 600
Northern Cape	:	3 600
Gauteng	:	48 600
KwaZulu Natal	:	39 000
Western Cape	:	<u>22 800</u>
TOTAL:	:	200 000

7. What is the estimated housing shortage for the whole country?

The urban housing shortage is conservatively estimated approximately 1,5 million units.

8. What is the projected number of houses that will be built from 1994-1999 towards reaching the target?

Government's goal is to increase delivery on a sustainable basis to a peak level of at least 350 000 units per annum to effectively address the housing backlog.

I trust that the above-mentioned information and the enclosed annexures will be of value.

Kind regards

Mr William Cobbett

Director-General

Date: 01/07/96

APPENDIX 2

STATISTICS IN RELATION TO HOUSING DELIVERY AND THE DISCOUNT BENEFITS SCHEME (R7 500)

1. The following documents are enclosed for your information:
 - 1.1 Annexures A – D contain progressive delivery statistics regarding the housing subsidy scheme for the period 15 March 1994 until 30 April 1996.
 - 1.2 Annexure E contains statistics regarding the Discount Benefit Scheme (R7 500) for the period 27 November 1992 until 30 April 1996.
2. The following come to the fore in adjudicating Annexures A – D: (The figures between brackets indicate the achievements until the end of March 1996).
 - 2.1 During the period 15 March 1994 to 30 April 1996, 47 191 (42 165) individual ownership subsidies (project linked and individual subsidies) were approved in respect of beneficiaries who had bought residential properties. Once individual ownership subsidies are approved, conveyancers are instructed to register transfer of the residential property in the name of the subsidy beneficiary. In the case of existing homes and completed homes in projects, this means that the beneficiary can take occupation of the home soon after registration of transfer or earlier if the agreement of sale so provides. Where the housing unit is still to be constructed, indications are that construction is completed within two to three months after registration of transfer.
 - 2.2 Of the 47 191 beneficiary who had housing units, 19,7% (19,6%) enhanced their subsidy by means of credit.
 - 2.3 The average monthly delivery in respect of individual ownership subsidies for the period 15 March 1994 to April 1996 amounts to 1 851. The delivery only for April 1996, amounts to 5 026.

- 2.4 The average monthly delivery in respect of individual ownership subsidies approved increased from a monthly average of 536 for the period 15 March 1994 to 31 August 1995 to a monthly average of 4 793 for the period 1 September 1995 to 30 April 1996. In global terms delivery in respect of individual ownership subsidies increased from 8 845 at the end of August 1995 to 47 191 at the end of April 1996.
- 2.5 The increase in delivery regarding individual ownership subsidies since August 1995 is graphically illustrated in Annexure D.

APPENDIX 3**ANNEXURE A****SUMMARY: DELIVERY FROM 15 MARCH 1994 UNTIL 30 APRIL 1996**

1. Individual ownership subsidies approved in respect of beneficiaries who had bought residential properties:

		Non Credit Linked	%	Credit Linked	%
Project linked subsidies*	35 141	30 280	86,2	4 861	13,8
Individual subsidies*	<u>12 050</u>	<u>7 604</u>	63,1	<u>4 446</u>	36,9
	47 191	37 884	80,3	9 307	19,7

2. Credit linked subsidies (savings route): 32: Implementation date 5 June 1995.
3. Consolidation subsidies approved in respect of beneficiaries who have previously only received a site in ownership, leasehold or deed of grant as housing assistance from the state. These subsidies are provided to beneficiaries to provide or upgrade housing units on such sites and were implemented with effect from 5 June 1995.

Subsidy Category	Number of Subsidies
R5 000	58
R7 500	908
TOTAL	966

* Project linked subsidies pertain to ownership approved in respect of beneficiaries who had bought properties in projects which had been approved by provincial housing boards. These subsidies were implemented with effect from 15 March 1994.

** Individual subsidies pertain to ownership subsidies approved in respect of beneficiaries who had bought existing properties or properties in projects which had not been

approved by provincial housing boards. These subsidies were implemented with effect from 5 June 1995.

STATISTICS FOR APRIL 1996

TYPE OF SUBSIDY	15 MARCH '94 - 31 MARCH '96	MONTHLY AVERAGE	APRIL '96	PROGRESSIVE TOTAL
PROJECT LINKED (Reserved)*	279 397	10 957	6 747	286 144
PROJECT LINKED (Beneficiaries)**	32 061	1 257	3 080	35 141
INDIVIDUAL ***	10 104	919	1 946	12 050
CREDIT LINKED (Savings Route)****	32	3	0	32
CONSOLIDATION (Reserved)+	22 117	2 011	0	22 117
CONSOLIDATION (Beneficiaries)++	960	87	6	966

- * Project linked subsidies reserved by provincial housing boards in respect of the number of housing units to be erected by developers in projects approved by the boards. These subsidies are approved in respect of individual beneficiaries once they have bought housing units in these projects (Implementation dated 15 March 1994).
- ** Project linked subsidies approved in respect of beneficiaries who bought properties in projects approved by provincial housing boards.
- *** Individual subsidies approved in respect of individuals who bought existing housing units or new housing units in projects not approved by provincial housing boards (Implementation dated 5 June 1995).
- **** Subsidies approved in respect of beneficiaries who entered into a savings scheme with banks to enhance their subsidies with credit. (Implementation dated 5 June 1995).
- + Consolidation subsidies reserved in respect of projects where beneficiaries have only received serviced sites in the past, and now wish to upgrade or provide housing on such sites. These subsidies are only approved in respect of individual beneficiaries once beneficiaries have entered into an agreement with a developer (Implementation dated 5 June 1995).
- ++ Consolidation subsidies approved in respect of individual beneficiaries.

PROGRESSIVE HOUSING STATISTICS: 15 MARCH 1994 TO 30 APRIL 1996

PROVINCE	PROJECT LINKED (Reserved)*	PROJECT LINKED (Beneficiaries)* *	INDIVIDUAL***	CREDIT LINKED (Savings Route)****	CONSOLIDATION (Reserved) +	CONSOLIDATION (Beneficiaries) ++
Western Cape	25 547	2 921	997	19	3 611	116
Gauteng	78 156	7 752	5 002	7	1 000	445
North-West	30798	6 062	628	0	0	0
Mpumalanga	28382	7 010	1 183	0	0	0
KwaZulu-Natal	50 366	4 211	794	2	7 006	0
Free State	17 815	2 310	1 095	0	8 098	0
Eastern Cape	23 716	1 027	823	0	1 000	0
Northern Cape	3 892	1 742	1 325	3	205	0
Northern Province	27 472	2 106	203	1	1 197	405
TOTAL	286 144	35 141	12 050	32	22 117	966

* Project linked subsidies reserved by provincial housing boards in respect of the number of housing units to be erected by developers in projects approved by the boards. These subsidies are approved in respect of individual beneficiaries once they have bought housing units in these projects.

** Project linked subsidies approved in respect of beneficiaries who had bought properties in projects approved by provincial housing boards.

*** Individual subsidies approved in respect of individuals who had bought existing housing units or new housing units in projects not approved by provincial housing boards.

**** Subsidies approved in respect of beneficiaries who had entered into a savings scheme with banks to enhance their subsidies with credit.

+ Consolidation subsidies reserved in respect of projects where beneficiaries have only received serviced sites in the past, and now wish to upgrade or provide housing on such sites. These subsidies are only approved in respect of individual beneficiaries once beneficiaries have entered into an agreement with a developer.

++ Consolidation subsidies approved in respect of individual beneficiaries.

**INDIVIDUAL OWNERSHIP SUBSIDIES (PROJECT LINKED AND INDIVIDUAL SUBSIDIES)
APPROVED AS AT 30 APRIL 1996**

Month	Western Cape	Gau- teng	North- West	Mpuma- langa	KwaZulu- Natal	Free State	Eastern Cape	Northern Cape	Northern Province	RSA
Aug'95	875	3 760	2 066	431	168	1 372	93	80	0	8 845
Sept'95	59	1 276	377	638	306	200	52	0	0	2 908
Oct'95	460	1 327	0	375	367	236	216	301	0	3 282
Nov'95	167	371	788	1 912	1 247	317	263	0	0	5 065
Dec'95	0	1 230	0	313	395	215	210	583	146	3 092
Jan'96	699	657	591	1 567	517	285	48	1 303	0	5 667
Feb'96	5	1 102	1 971	0	572	251	313	488	1 558	6 260
Mar'96	513	1 665	479	2 164	762	256	493	312	402	7 046
Apr'96	1 140	1 366	418	793	671	273	162	0	203	5 026
Total	3 918	12 754	6 690	8 193	5 005	3 405	1 850	3 067	2 309	47 191

* Combined delivery of project linked subsidies for the period 15 March 1994 to 31 August 1995 and individual subsidies for the period 5 June 1995 (date of implementation) to 31 August 1995.

**STATISTICS OF SUBSIDIES APPROVED BY THE NINE PROVINCIAL HOUSING BOARDS
FOR THE MONTH APRIL 1996**

1. PROJECT-LINKED SUBSIDIES
2. PROJECTS AND SUBSIDIES APPROVED

PROVINCE	PROJECTS APPROVED	PROJECTS STARTED	NUMBER OF PROJECT-LINKED SUBSIDIES	
			RESERVED IN RESPECT OF THE NUMBER OF HOUSING UNITS IN APPROVED PROJECTS	APPROVED IN RESPECT OF INDIVIDUAL BENEFICIARIES WHO HAVE BOUGHT HOUSING UNITS IN APPROVED PROJECTS
W-Cape	12	8	3 779	964
Gauteng	0	1	0	401
N-West	0	0	0	249
Mpumalanga	2	10	1 000	545
KwaZ-Natal	0	5	0	602
F-State	6	1	309	151
E-Cape	2	0	1 659	0
N-Cape	0	0	0	0
N-Prov	0	2	0	168
TOTAL	22	27	6 747	3 080

1.2 PROFILE OF PROJECT-LINKED SUBSIDIES						
(i) SET ASIDE IN RESPECT OF PROJECTS APPROVED			(ii) APPROVED IN RESPECT OF INDIVIDUAL BENEFICIARIES WHO HAVE BOUGHT PROPERTIES IN A PROJECT-LINKED SCHEME			
NON-CREDIT LINKED/CREDIT LINKED			NON-CREDIT LINKED		CREDIT LINKED	
SUBSIDY CATEGORIES	NUMBER OF SUBSIDIES	AMOUNT INCLUDING MAXIMUM VARIATION OF 15%* R	NUMBER OF SUBSIDIES	AMOUNT INCLUDING MAXIMUM VARIATION OF 15%* R	NUMBER OF SUBSIDIES	AMOUNT INCLUDING MAXIMUM VARIATION OF 15%* R
R15 00	5 174	89 945 246	1 461	22 404 159	7	105 000
R12 500	1 043	16 165 315	983	13 657 422	61	762 500
R9 500	353	4 666 872	265	2 778 257	210	2 026 350
R5 000	177	1 582 079	51	310 657	42	216 750
TOTAL	6 747	112 359 512	2 760	39 150 495	320	3 110 600
TOTAL SUBSIDIES					3 080	
AMOUNT					R42 261 095	

2. INDIVIDUAL SUBSIDIES (NON-PROJECT LINKED SUBSIDIES)

2.1 INDIVIDUAL SUBSIDIES APPROVED

PROVINCE	SUBSIDIES
WESTERN CAPE	176
GAUTENG	965
NORTH-WEST	169
MPUMALANGA	248
KWAZULU-NATAL	69
FREE STATE	122
EASTERN CAPE	162
NORTHERN CAPE	0
NORTHERN PROVINCE	35
TOTAL	1 946

2.2 PROFILE OF INDIVIDUAL SUBSIDIES APPROVED

2.2.1 NON-CREDIT LINKED

CATEGORY	NUMBER OF SUBSIDIES	AMOUNT
R15 000	852	R12 780 000
R12 500	255	R3 187 500
R9 500	98	R931 000
R5 000	35	R175 000
SUB-TOTAL	1 240	R17 073 500

2.2.2 CREDIT LINKED

CATEGORY	NUMBER OF SUBSIDIES	AMOUNT
R15 000	10	R150 000
R12 500	92	R1 150 000
R9 500	416	R3 952 000
R5 000	188	R940 000
SUB-TOTAL	706	R6 192 000
TOTAL	1 946	R23 265 500

3. CREDIT LINKED SUBSIDIES (SAVINGS ROUTE)

3.1 APPROVED PER PROVINCE

PROVINCE	SUBSIDIES
WESTERN CAPE	0
GAUTENG	0
NORTH-WEST	0
MPUMALANGA	0
KWAZULU-NATAL	0
FREE STATE	0
EASTERN CAPE	0
NORTHERN CAPE	0
NORTHERN PROVINCE	0
TOTAL	0

3.2 APPROVED PER SUBSIDY CATEGORY

CREDIT LINKED SUBSIDIES	NUMBER OF SUBSIDIES	AMOUNT
R15 000	0	R NIL
R12 500	0	R NIL
R9 500	0	R NIL
R5 000	0	R NIL
TOTAL	0	R NIL

4. PROJECT-LINKED CONSOLIDATION SUBSIDIES

4.1 PROJECT-LINKED CONSOLIDATION SUBSIDIES APPROVED

PROVINCE	PROJECTS APPROVED	PROJECTS STARTED	NUMBER OF PROJECT-LINKED CONSOLIDATION SUBSIDIES	
			SET ASIDE IN RESPECT OF PROJECTS APPROVED	APPROVED IN RESPECT OF INDIVIDUAL BENEFICIARIES, WHO HAVE CONCLUDED AN AGREEMENT WITH A DEVELOPER IN A CONSOLIDATION SCHEME
W-Cape	0	0	0	0
Gauteng	0	0	0	0
N-West	0	0	0	0
Mpumalanga	0	0	0	0
KwaZ-Natal	0	0	0	0
F-State	0	0	0	0
E-Cape	0	0	0	0
N-Cape	0	0	0	0
N-Prov	0	0	0	0
TOTAL	0	0	0	0

4.2 PROFILE OF PROJECT-LINKED CONSOLIDATION SUBSIDIES				
(i) SET ASIDE IN RESPECT OF PROJECTS APPROVED			(ii) APPROVED IN RESPECT OF INDIVIDUAL BENEFICIARIES WHO HAVE CONCLUDED AN AGREEMENT WITH A DEVELOPER IN A CONSOLIDATION SCHEME	
SUBSIDY CATEGORY	NUMBER OF SUBSIDIES	AMOUNT R	NUMBER OF SUBSIDIES	AMOUNT R
R7 500	0	NIL	6	45 000
R5 000	0	NIL	0	NIL
TOTAL	0	NIL	6	45 000

5. INSTITUTIONAL SUBSIDIES*

5.1 NUMBER OF SCHEMES APPROVED: 0

5.2 NUMBER OF SCHEMES STARTED: 0

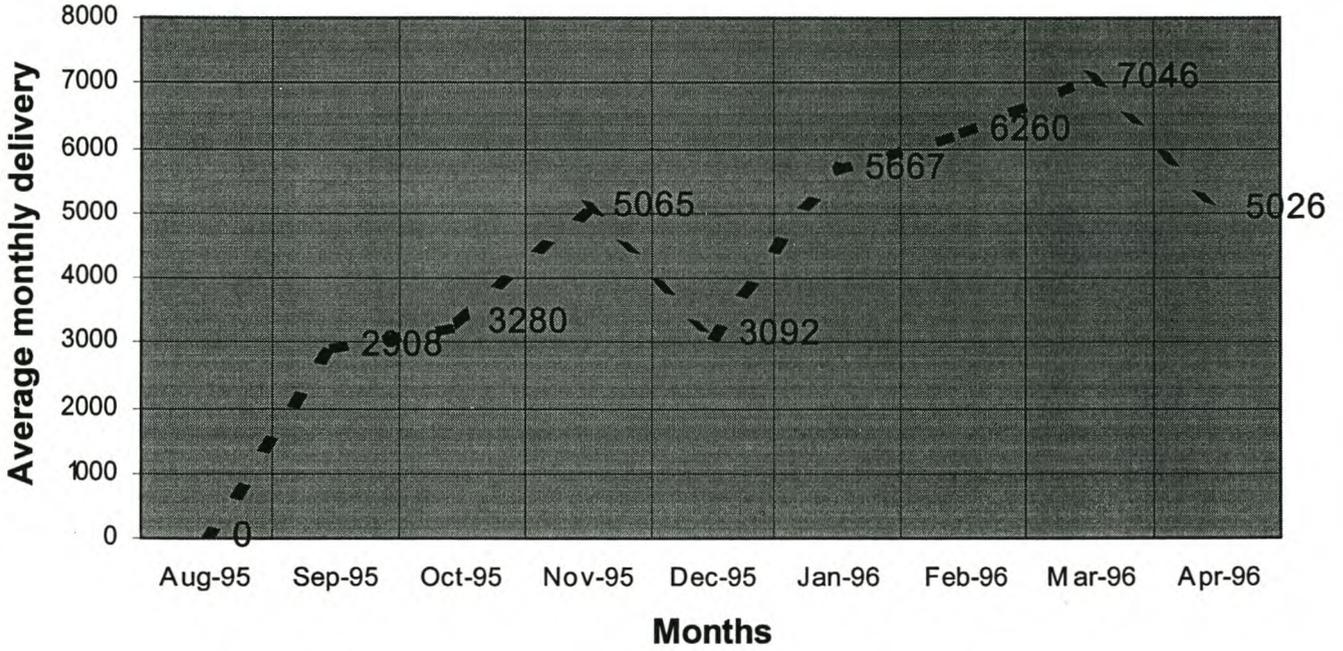
5.3 AMOUNT APPROVED: R NIL

5.4 PROFILE OF INSTITUTIONAL SUBSIDIES		
SUBSIDY CATEGORY	COMPOSITION (NUMBER OF EACH CATEGORY)	OCCUPANTS APPROVED ACCORDING TO EACH CATEGORY
R15 000	0	0
R12 500	0	0
R9 500	0	0
TOTAL	0	

* Granted to institutions in a global sum to provide subsidised housing to households who qualify for individual ownership subsidies. Tenure is normally rental, but other forms of tenure are acceptable.

ANNEXURE D

**AVERAGE MONTHLY DELIVERY
PROJECT LINKED & INDIVIDUAL SUBSIDIES #**



INDIVIDUAL OWNERSHIP SUBSIDIES

* Average monthly delivery in respect of project linked subsidies for the period 15 March 1994 to 31 August 1995 = 490

Average monthly delivery in respect of individual subsidies for the period 5 June 1995 (date of implementation) to 31 August 1995 = 271

DISCOUNT BENEFIT SCHEME (R7 500)

Since the implementation of the discount scheme on 27 November 1992, approximately 83 220 households have availed themselves of the benefit until 30 April 1996. The following is the provincial breakdown as at 30 April 1996.

PROVINCE	27 NOV 1992 - 31 MARCH 1996	APRIL 1996	PROGRES- SIVE TOTAL
Western Cape	36 297	0	36 297
Gauteng	1 193	0	1 193
North-West	0	0	0
Mpumalanga	3 501	0	3 501
Northern Province	613	4	617
KwaZulu-Natal	698	78	776
Free State	20 570	102	20 672
Eastern Cape	18 371	175	18 546
Northern Cape	1 545	73	1 618
TOTAL	82 788	432	83 220

APPENDIX 4

INTERVIEW FORM FOR ORGANISATION/INSTITUTION INTERVIEWS

Date of an interview : 25/04/95

Person interviewed : Mr Erasmus

Organisation : Former CPA

Where interviewed : Goodwood

Position : then Chief Administrative Officer for
BLAs

Questions asked and Responses

Question: What do you think was the rationale behind the decision of the apartheid government to develop a new African township, Khayelitsha after so many decades of people being subjected to all forms of oppression and forced removals (pass laws)?

Response: The development of Khayelitsha to allow Africans to be permanent residents of Cape Town, was a change in the National Party government's policy in fighting against African urbanisation in the so-called white designated areas. The National Party government accepted inevitable African urbanisation and an African petit bourgeois class.

Question: How was the former CPA involved in Khayelitsha?

Response: The involvement of the former CPA in Khayelitsha was through the Regional Services Council (RSC), which was established in 1985, in conjunction with the Lingeletu West Town Council, which was formed in 1988, as the form of Black Local Authority (BLA) responsible for the Khayelitsha affairs.

Question: What was the procedure used with regard to the implementation of housing policy in Khayelitsha?

Response: The procedure concerning the implementation of the housing policy in Khayelitsha by Lingeletu West Town Council was that, its role was to first develop a housing project. Thereafter, it had to apply to the CPA for the approval of that project. After the CPA had approved the project, it allocated funds for the implementation of that housing project; for example, the P, Y and Z-Sections in Site B and Town Two, are self-help projects of the Lingeletu West Town Council.

Date of an interview : 25/04/95

Person interviewed : Mr E. Schwella

Organisation : Lingeletu West Town Council

Where interviewed : Khayelitsha

Position : then acting Officer for Community Services

Questions asked and Responses

Question: What were the difficulties/challenges faced by the Council with regard to service rendering in Khayelitsha during the apartheid era?

Response: It was difficult for the Council to deliver services effectively during the apartheid era, because of the following reasons:

- There was an outcry from Khayelitsha residents regarding the lack of legitimacy of Black Local Authority (Lingeletu West Town Council). They accused it of lack of representativeness and its undemocratic nature. Khayelitsha residents were negatively politicised as a result; they were attacked the Lingeletu West Town Council and the mayor of Khayelitsha as well as its workers or supporters.
- There was a lack of support from the community, for the services rendered. Eventually the community decided to launch service charges and rent boycott against the Council. There was also a lack of funds from the central government for service rendering, which was a problem experienced by the Black Local Authorities (BLAs) throughout the country in the 1980s. This resulted in an increase in service charges and rent by BLAs for their survival. The problem of inadequate funding of BLAs by the central government made Local Authorities vulnerable to community activists in the African townships.

Question: What is the housing shortage in Khayelitsha?

Response: In Khayelitsha, there is no waiting list for new houses because the people who are homeless often decide to erect shacks wherever there is space. But if people, when they talk of housing shortages, they talk about formal housing shortages, that means they do not regard informal housing as a shelter, then the housing shortages will be constituted by the number of every shack, be it made by plastic or corrugated iron zincs, in Khayelitsha.

Date of an interview : 27/04/95

Person interviewed : Mr S. Patel

Organisation : then Regional Housing Board

Where interviewed : Cape Town

Position : then Administrative Officer for Housing
and Local Government Transformation.

Questions asked and Responses

Question: How did Black Local Authorities render services in their areas of jurisdiction in the past? Were the powers given to them adequate to deal with the issues of their local communities? How did they implement housing policy?

Response: Mr Patel was very critical in his response. He criticised the way the Black Local Authorities functioned in the past. Firstly, according to him, the BLAs lacked the capacity to deliver the expected goods and services because of limited and weak powers that were given to them. Secondly, they lacked a clear vision or direction of what they were expected to deliver. Thirdly, they lacked a clear policy framework and objectives to guide them in implementing the housing policy in their areas.

Date of an interview : 26/05/95

Person interviewed : Mr Mtshilita

Organisation : SANCO

Where interviewed : Khayelitsha

Position : then Chairperson for Khayelitsha Branch

Questions asked and Responses

Question: Do you have background knowledge of how and whom Khayelitsha was initially developed for?

Response: “I want to respond by starting back at the beginning of the development of Khayelitsha in the early 1980s.” Khayelitsha was developed for the people of Crossroads. The National Party government never consulted Crossroads residents when it took the decision to move them to this new home i.e. Khayelitsha. After the formal rental houses built by the government were completed, Crossroads residents were asked to move into these houses. Then the problem started. The people of Crossroads refused to move to Khayelitsha complaining that:

- Khayelitsha was far from the workplaces;
- the houses were very small for their large families.
- the houses were formal shacks, therefore there was no difference between these houses and their shacks they lived in.

Question: Khayelitsha now is fully occupied by people. Who are these people and where do they come from?

Response: The first people to move in were the people living in backyard shacks in other old townships such as Guguletu, Nyanga and Langa. The boycott or refusal of the people of Crossroads ended in late 1985, early 1986, after which some people started to move in. Most of the people who are living in formal houses in Khayelitsha are those who were living in the old overcrowded townships. The government established site and service schemes in Site C and Site B in 1985/86. Most of the

people who are currently living in Site C originally came from Crossroads and those who live in Site B (site and service area), some come from KTC and other overcrowded townships in the Western Cape. Others, those who live in the unserviced areas, come from the rural areas, in particular the Eastern Cape.

Question: What were the other developments that took place after the Crossroads residents eventually decided to move into Khayelitsha?

Response: In October 1988 elections for local government in the form of Black Local Authorities were held. Only 10% of the total population of Khayelitsha voted, meaning that most people never voted. Nevertheless the Lingeletu West Town Council led by Khayelitsha mayor, Mr Mali Hoza, continued to function, until Khayelitsha residents overthrew it in early 1993. Residents decided to appoint a temporary administrator. According to the agreement they reached with this new temporary administrator, the residents said it must work in conjunction with SANCO. In whatever decisions affecting the Khayelitsha-community they wanted to take they must consult SANCO, then SANCO will consult with other structures and political organisations that exist in the community.

Another problem was that when the Regional Services Council was introduced in Khayelitsha in 1987, the town clerk was a White person whom the residents believed was a National Party member put there to monitor the entrenchment of the apartheid system. This was demonstrated by his attitude towards Khayelitsha people and the way he named the township areas. Moreover, the residents perceived him as the person who was the sole representative of the Khayelitsha people on the Regional Services Council. Because, he had a knowledge of how to formulate a budget. The problem was that this person did not know the community's values, real needs and interests, and therefore could not act as their representative.

Date of an interview : 03/04/96

Person interviewed : Mr V. Ngcuka

Organisation : the Lingelethu West Transitional Local Council

Where interviewed : Khayelitsha

Position : then Mayor

Questions asked and Responses

Question: What do you think was the initial aim of the previous government in building "core houses" in Khayelitsha in the 1980s?

Response: The initial aim of building two-roomed "starter houses" in a plot size of 160-200 square metres by the previous government, was to allow people to build extra rooms according to their housing needs and requirements. The Khayelitsha Resource Centre was built mainly to store building materials to assist people in extending their houses. But these intentions did not materialise, they never had building materials stored there.

Question: How were the banks involved in Khayelitsha with regard to mortgage bond lending?

Response: The banks made bonds available in Khayelitsha for home-ownership for a minimum price house of R30 000-R65 000. The banks regarded these houses as the low income. In the process of payment, the home-owners experienced some problems. Some people were not educated how to service loans, others were given false information about the banks. On the other hand, some had unstable income that

affected the issue of affordability, due to the high unemployment problem. The above-stated problems led the area to be red-lined by the banks. The blame has to be put to the illegitimate council (Mr Mali Hoza's Black Local Authority) which failed to effectively deal with this problem.

Question: Khayelitsha's population is still growing by the day whilst some people are leaving it for other informal settlements in the Peninsula. Why?

Response: Indeed, some of those people who currently live in those informal settlements were once residents of Khayelitsha. The reason they left Khayelitsha was that they complained about the long distance they had to travel to their workplaces. Therefore, they wanted to be nearer to their workplaces and also to reduce their travelling time and costs.

On the question of rapidly growing population in Khayelitsha, on the one hand, this is caused by the people who are coming from other overcrowded townships in the Peninsula, for instance, Langa, Gugulethu, Nyanga, etc. On the other hand, this is caused by the people who are migrating from rural areas, in particular the Eastern Cape. These people form part of the residents who live in the unserved areas ("temporals").

Question: How is the problem of private ownership of land affecting housing development in Khayelitsha? Is there any land owned by the local Council to resettle or relocate people who are crowded in Site B and Site C?

Response: The problem of private ownership of land in Khayelitsha affects housing development. The Council does not have enough land, most of land is owned by the South African Housing Trust (SAHT). This makes it difficult for the Council to resettle or relocate people who are part of double occupation of sites in Site C and those who occupied land that is earmarked for other development purposes such as schools, crèches, playing fields and other community facilities.

The Council, at the moment, has two portions of land, viz. a portion of land developed between Harare and Macassar (Village 5) and one, which is currently developed in Green Point. Both portions are meant for the relocation of people who live in “temporals” (unserved areas) in Khayelitsha. Unfortunately the number of erven in these areas has not yet been counted. If they were counted they would help to give an estimation of the number of families who will benefit.

Question: How does it affect the price of houses and the issue of affordability, particularly for the low-income earners?

Response: Private ownership of land affects the price of houses. For instance, R20 000 of a house costing R65 000 is a price charged for the value of land. This pushes the price up, which results in inaffordability for low-income earners. Low-income earners therefore become victims of exploitation by these developers.

Date of an interview : 17/04/96

Person interviewed : Mr Z. Feni

Organisation : United Residents Front (URF)

Where interviewed : Khayelitsha

Position : then Chairperson for Khayelitsha Branch

Questions asked and Responses

Question: What were the reasons that made the Khayelitsha residents boycott the bond payments in the past?

Response: The reasons for the bond boycott in the past were that, in the first instance, the banks did not do a feasibility study to look at the quality of houses before lending mortgage bonds to the people of Khayelitsha. In other words, the bond boycott was caused by, among other things, serious structural defects. The building material used was so poor that during winter seasons, the houses become damp and some show signs of cracking walls.

Another cause was the lack of information/knowledge of how the loans are serviced. It was the responsibility of the banks to conduct an education programme to ensure that people do understand how bonds are repaid.

Politics also played an influential role in linking up the bond payment with rent and service charges.

Question: Who were the developers or companies that were involved in building those houses and why did the affected residents not trace them to come to rectify their defects?

Response: Some of the companies or developers which were involved disappeared (they ran away). Others changed their company names so that it would not be easy to trace them.

Date of an interview : 24/04/96

Person interviewed : Mr Coetzee

Organisation : Lingeletu West Town Council

Where interviewed : Khayelitsha

Position : then acting Town Secretary

Questions asked and Responses

Question: When one enters Khayelitsha one sees heaps of uncollected refuse. What are the reasons for the Council not collecting the refuse in areas under its jurisdiction? In other words, where does the problem lie?

Response: The Cleansing Department is really under-staffed and under-equipped. Currently it has human resources of 110 people. To overcome this problem, it will soon advertise the posts which are available (between 400 and 500). In addition to that, it intends to buy 4 compactor trucks costing R700 000 each to overcome the problem of equipment that affects its capacity to render services to the Khayelitsha community.

Question: How did the South African Housing Trust (SAHT) become involved in housing provision in Khayelitsha? It is also alleged that most of the land is owned by SAHT, how did it obtain the land?

Response: In 1987 SAHT reached an agreement with the former CPA to develop the land and put infrastructure in place at a subsidised interest rate for low-income groups. This is how it became involved in housing provision, particularly the low-cost houses.

Date of an interview : 10/06/96

Person interviewed : Mr W.J. van Rensburg

Organisation : Provincial Housing Department

Where interviewed : Cape Town

Position : Senior Administrative Officer

Questions asked and Responses

Question: Why is the process of approving the subsidies taking so long? In other words, why is there slow delivery in terms of subsidies being approved?

Response: It is because of the complexity of the subsidy system. It should be remembered that one of the government housing subsidy scheme's requirements is that each and every household which qualifies for this subsidy scheme (i.e. which falls between R3 500 and R0 00/zero income) has to submit their household income in order to see which category they fit into. As a result of this procedure, it would be better if people could be allowed to submit their household income levels individually. At the moment, we are experiencing the problem of a lack of capacity in our institutions charged with the task of processing and approving the housing subsidies.

Date of an interview : 10/06/96

Person interviewed : Mr G. Gray

Organisation : Provincial Housing Department

Where interviewed : Cape Town

Position : Administrative Officer responsible for individual subsidies

Questions asked and Responses

Question: Do the people know how the government housing subsidy scheme works? In other words, do you conduct an awareness/education programmes

about how the subsidy scheme works, where to apply and what information is needed so that their applications can be processed and approved?

Response: People do not have information on where and how to apply, this is still a problem. The awareness/education programmes have not yet been conducted.

Question: If the subsidy is too small to build a house, as people often complain, what can people do to supplement it?

Response: The purpose of the government housing subsidy scheme is to give an opportunity to the people who were previously disadvantaged. The people who did not have the chance in the past to obtain mortgage bonds from financial institutions. These subsidies will enable them to obtain loans from the banks for housing.

Date of an interview : 20/06/96

Person interviewed : Mr L. Phetheni

Organisation : Zakeni Consultant Company

Where interviewed : Khayelitsha, Site B

Position : Consultant

Questions asked and Responses

Question: What is the population density and the overcrowding situation in Khayelitsha's informal townships, in particular, in Site B and Site C?

Response: Instead of an average of 5 households, an area is occupied by 10 households. Site C has double occupation; 90 square metre site is occupied by two families who are sharing one tap for water and a toilet.

Question: How does the population density and overcrowding impact on infrastructural basic social services in these areas, e.g. water supply?

Response: The population density and overcrowding, in turn, cause a lot of infrastructure problems, e.g. exert pressure on water supply, sewerage and storm water drainage systems. It causes these basic infrastructural services to be unable to cope, which sometimes leads to blockages.

Question: Where does this problem originate?

Response: Site C was established by the previous government as a transit camp, and the whole Khayelitsha as a labour dormitory township. This is attributed to its poor planning. In other words, there was no proper town planning for Khayelitsha. This can be noticed in the sewerage and storm water system. The detention pond next to Site C, Nomthandazo Caltex Service Station is a typical example, which is very bad and causes bad smells and creates health hazards in the neighbourhood.

Date of an interview : 16/07/96

Person interviewed : Mr J. Mchunu

Organisation : Phambili Ngombane

Where interviewed : Khayelitsha

Position : Administrative Officer

Questions asked and Responses

Question: How many houses/homes have been electrified by Phambili Ngombane in Khayelitsha to date?

Response: There are 35 000 shacks that have been electrified by Phambili Ngombane, 7 000 “core houses” by Lingelethu West Town Council.

Question: Has there been any improvement with regard to fire incidents, which often result in loss of lives and properties?

Response: Ever since the electrification of serviced areas, the burning rate of shacks has been remarkably reduced. The problem of fire still occurs most in the unserviced areas because of candles or paraffin stoves used for lighting and cooking.

Questions asked and Responses

Question: As people who are rendering services in Khayelitsha, what is the estimate of its population? This question was asked from 3 different institutions in order to find out about their estimations, viz.:-

Lingelethu West Town Council, Site B Police Station and Cape Metropolitan Council's (CMC) Health Department

Date of an interview : 16/08/96

Person interviewed : Ms P. Tsolekile

Organisation : Lingelethu West Town Council

Where interviewed : Khayelitsha

Position : Administrative Officer

Response: Khayelitsha population is estimated at 330 000.

Date of an interview : 18/08/96

Person interviewed : Captain P. Mbolekwa

Organisation : Site B Police Station

Where interviewed : Site B, Khayelitsha

Position : Spokesperson for community-related matters

Response: Khayelitsha population is estimated at 880 000.

Date of an interview : 20/08/96

Person interviewed : Dr I. Toms

Organisation : CMC's Department of Health

Where interviewed : Cape Town

Position : Inspector doctor responsible for all
hospitals and clinics under CMC

Response: Khayelitsha population is estimated at 360 000.

Date of an interview : 28/08/96

Person interviewed : Mr R. Sims

Organisation : ABSA Bank

Where interviewed : Cape Town

Position : Consultant for mortgage bond issues

Questions asked and Responses

Question: What is the role of the banks in credit-linked subsidies that aim at assisting low-income households?

Response: The role of the banks in credit-linked subsidies aimed at assisting low-income households to obtain home-loans as a supplement to government's subsidies is as follows:

“households who fall within the first category, R0 - R800, monthly income would be able to get a bond of R11 007 to supplement their subsidy amount of R15 000. They will pay an interest rate of 21,50%. In cash, they will be required to pay R200 monthly instalments. The second category, R801 – R1 500, would be able to get a bond of R20 638 to supplement the subsidy amount of R12 500, in which they will pay the same interest rate of the first category. In cash, they will be required to pay a monthly instalment of R375. The third category, R1 501 - R2 500, with subsidy amount of R9 500 would be able to get a bond of R35 551 at an interest rate of 20,75%. In cash, they will be required to pay R625 monthly instalments. The fourth and last category, R2 501 - R3 500, with subsidy amount of R5 000 would be able to get a bond of R49 772 at the same interest rate of 20,75%. In cash, they will be required to pay a monthly instalment of R875. The first category would be able to buy a property of R26 007, the second category would be able to afford a property costing R33 138, the third one, would afford a property costing R45 051, and the last one, would be able to buy a property of R54 772”.

Date of an interview : 20/09/96

Person interviewed : Mr D. Bangani

Organisation : KERIC, Zakeni & BKS Consultancy
(Joint venture)

Where interviewed : Khayelitsha, Site B

Position : KERIC's Deputy Director and
spokesperson for the joint venture

Questions asked and Responses

Question: In Khayelitsha, the 99-year leasehold system was used by the previous government. This has resulted in a lack of security of tenure for people who occupied the former government's houses in Khayelitsha. What is the Council doing to rectify this problem?

Response: At present, the Council is working on transferring these houses to their occupants. Zakeni and BKS have been assigned the task by Lingeletu West Town Council (LWTC). This task does not stop at transferring core houses to their occupants and giving them title deeds, but it also includes site and service areas.

Question: The present government has a housing subsidy scheme to help the low-income earners in South Africa. How far is the process of the implementation of this subsidy scheme in Khayelitsha?

Response: The transferring of sites and issuing of title deeds to occupants is the pre-process to addressing the whole housing problem in Khayelitsha and the implementation of the housing subsidy scheme. This is to ensure that the government

housing subsidy is received by the right households. That is why the Council decided to appoint consultants to do the task.

Person interviewed : Mr M. Mgudlwa
Date of an interview : 13/10/96
Organisation : Lingelethu West Town Council
Where interviewed : Khayelitsha
Position : Administrative Officer for Housing

Questions asked and Responses

Question: How many houses are being built in Khayelitsha using the current government housing subsidy scheme?

Response: Khayelitsha Local Authority is still in the process of transferring sites in the site and service areas and “core houses” in Khayelitsha (i.e. issuing title deeds). The only houses that are being built in the Ilitha Park area, are built by private developers e.g. Housing Africa, CONDEV, etc. These statistics are only available from the South African Housing Trust (SAHT). The Council is usually provided with the statistics by SAHT, but those have not been provided as yet.

Date of an interview : 19/10/96
Person interviewed : Mr E. Mkuchane
Organisation : Metro Rail

Where interviewed : Cape Town

Position : Public Affairs Manager

Questions asked and Responses

Question: There is a problem of overcrowding in trains, in particular in Khayelitsha and Mitchell's Plain trains during peak hours. Sometimes this is the cause of fatal accidents in train stations. What is Metro Rail doing to provide commuters with safe rail transport?

Response: There are 90 train sets (number of trains) for the whole Western Cape, with 624 train trips a day. The capacity of a train is normally 3 000 people. But, it differs during peak hours (4 am - 8 am and 4 pm - 7 pm), because it carries 325 000 people. Khayelitsha has longer trains (14 coaches) as compared to other areas (with sometimes 8 or 10 coaches). The purpose of longer trains for Khayelitsha was to address the problem of capacity (overcrowding). The spokesperson also complained about the problem of growing vandalism (removing any aluminium from the trains). As a result, 13 trains were withdrawn from service last month (September 1996) because of vandalism. Other problems are related to the problem of socio-economic conditions which affect the whole country. The problem of unemployment results in crime (because of the frustrations). There are some cases whereby people are unable to pay train fares because of unemployment, but there are other cases where people take advantage of the situation (do not want to buy tickets though they do have money). This problem recently (August 1996) resulted in what is known as the Tembisa Railway Station incident that cost many lives (16 people died in the incident). Mr Mkuchane commented that the crime occurring in trains was a reflection of crime in society in general.

Date of an interview : 11/02/00

Person interviewed : Mr G. Lawrence

Organisation : then Lingeletu West Town Council

Where interviewed : Bergvliet near Retreat

Position : the former Town Clerk

Questions asked and Responses

Question: The research done previously about Khayelitsha states that the Lingeletu West Town Council was represented by a white person (town clerk) on the Regional Services Council and the residents were questioning how a person who do not know the values, needs and interests of the people of Khayelitsha can represent them.

Response: That is not true. The person who represented Khayelitsha on the Regional Services Council was an elected person, Mr Lizo Benya.

Date of an interview : 11/02/00

Person interviewed : Mr M. Hoza

Organisation : Lingeletu West Town Council

Where interviewed : Site C

Position : the former Mayor of Khayelitsha

Questions asked and Responses

Question: When did you become a resident of Crossroads?

Response: “I was among the people who were evicted from Langa barracks (zones) on 14 July 1981 because we did not have passes to live there. It was during the time the zones were changed into family housing. After we were evicted we had to move to the site near Crossroads.”

Question: How was the treatment in Crossroads from the apartheid government officials after you have moved there?

Question: We were always threatened that we would be deported to the homelands because we had no rights to live and work in the Western Cape. As a result, in March 1982 we formed Nyanga Bush Committee and went to St. Georges Cathedral in the centre of Cape Town (also see Cape Argus, 17 July 1984). We began a fast, and demanded that the government should allow us to live and work in the Western Cape. Sixty-four (64) people managed to get into the church, while the others stayed outside. We stayed there for 24 days. Because of the fear of the bad international publicity regarding the situation of the African people in the country, Dr Koornhof came to us requesting to start negotiations. Then, we called off the fast and went to the Holly Cross Church near New Crossroads. We negotiated with Mr. Timo Bezuidenhout, the then Western Cape Chief commissioner and requested to be given a 6 months permit to live and work in the Western Cape. We were given that permit. We lived temporarily on an upgraded site between Nontsumpa Home Affairs offices and Old Crossroads. The area was called Emavundleni or Esigangeni, which later became known as Cathedral Squatters.

Question: How did you become a resident of Site C?

Response: When Khayelitsha was established after the announcement in Parliament in March 1983 by Dr Koornhof, we showed that we were interested in moving to

Khayelitsha. Then, we negotiated with Mr. Bezuidenhoud and we (Cathedral Squatters) were given an 18 months permit to live in Site C temporarily. We moved to Site C in 1985 which was not developed as it had only communal water taps, bucket system toilets and no proper streets. Site C was just a transit camp for the so-called “illegals.” That is why two families were put on one plot (double occupied a plot), waiting for the day they were going to be deported to the “homelands.” In mid-1986 the Influx Control Act was scrapped and we were allowed to live and work in the Western Cape permanently. When Site B was developed in 1986 some people from Site C went to live there.

Question: When did you become a Mayor of Khayelitsha?

Response: “I became a Mayor of Khayelitsha after the October 1988 Local Authority elections”. Throughout my term of office we experienced a problem of recognition by political activists through their community organisations in Khayelitsha until we were ousted in early 1993 (see Mr. Mtshilita, Ngcuka and Mbo interviews).

Date of an interview : 11/02/00

Person interviewed : Mr L. Benya

Organisation : Lingeletu West Town Council

Where interviewed : Site C

Position : the former representative of Khayelitsha in the then Regional Services Council

Questions asked and Responses

Question: Was Lingelethu West Town Council represented in the Regional Services Council (RSC) after the Local Authority was established in 1988 and if yes by whom?

Response: The Lingelethu West Town Council was represented in the Regional Services Council and I was appointed by Council to represent the aspirations of the people of Khayelitsha there.

Question: What were the functions of the Regional Services Council to Local Authorities?

Response: The Regional Services Council was functioning as an umbrella body for Local Authorities just like the Cape Metropolitan Council (CMC). The Local Authorities were asked to compile their budgets for the needs of their local residents and the budgets were sent to RSC for approval.

Question: Were there any houses built by the Lingelethu West Town Council in Khayelitsha and if yes how many?

Response: The houses in Town Two, and P, Y and Z Sections in Site B were built by the Council. I do not remember their total number.

Date of an interview : 12/02/00

Person interviewed : Mr. T.E. Mbo

Organisation : then Lingelethu West Town Council

Where interviewed : Bongweni

Position : the former Administrative Officer

Questions asked and Responses

Question: How did Khayelitsha come into existence?

Response: Mr. Lubhelwana, the then Mayor of Ikapa Town Council was the founder of Khayelitsha. He flew by helicopter together with Dr Koornhof above the area that today is occupied by Khayelitsha and he identified the land. The land was a vast bush land situated near the Indian Ocean and Two Military camps (the one which is currently used by Denel and the other one between N2 and Landsdown Road). Mr. Lubhelwana identified the land as dumping place and said “this will be the new home (Khayelitsha) for the African people who will be removed from other areas in the Western Cape.” That is where the name Khayelitsha originated. The land occupied by Crossroads was intended to be an industrial area.

Question: Is Mr. Lubhelwana still alive?

Response: Unfortunately he is no longer alive, he was assassinated next to his butchery at Ny 110 Gugulethu and later his Town Clerk, Mr. Boy Mafunga was also killed. Both died from hail of bullets and their assassins never arrested.

Question: What do you think was the motive behind their assassination?

Response: I think it was political motivated and also had to do with the corruption in the Ikapa Town Council.

Question: Why did the residents of Crossroads resist moving to Khayelitsha?

Response: They were complaining about the small core houses that were built in Khayelitsha and the distance to and from workplaces they had to travel (also see Mr. Mtshilita's interview). The United Democratic Front (UDF) also played a role by influencing people not to move to Khayelitsha. It was saying that when they were in Khayelitsha they would be surrounded by the army and deported to the "homeland." That is why they resisted moving to Khayelitsha.

Question: Was the land in Khayelitsha owned by the Local Authority?

Response: The land in Khayelitsha was divided in two. The one beyond Spine Road that is currently occupied by Ilitha Park, Mandela Park, Harare and Macassar was called non-status and the other one that is occupied by core houses was called status land. The non-status land was directly owned and controlled by the then Cape Provincial Administration (CPA), while the status land was under the Local Authority. These names continued until Khayelitsha became part of the City of Tygerberg after the 1996 Local Government elections. The CPA sold other portions of land to various private developers, one of them was Khayalethu Homes.

Question: Was Lingeletu West Town Council recognised by the Community of Khayelitsha?

Response: To be frankly, the Lingeletu West Town Council had never been recognised from since inception. Khayelitsha initially was under the Ikapa Town Council. We wanted to be independent from Ikapa Town Council and they resisted. We then referred the case into Supreme Court where we won it in 1988 just before the Local Authorities' elections. Even after we won the case the Ikapa Town Council never recognised us. The non-recognition of the Lingeletu West Town Council by the local community stemmed from the non-recognition by Ikapa Town Council. The problem of non-recognition continued until Mr. Hoza's Council was forced to step down in 1993 by community organisations. Mr. Hennie Mering, the then CPA Administrator appointed a temporary administrator, Mr. Hokie Grundling who

administered Khayelitsha until Transitional Local Council (TLC), Mr. Vuyani Ngcuka, took over as a Mayor.

Press statement by the National Minister of Housing

The National Minister of Housing, Ms Sankie Mthembi-Mahanyele released a press statement on 4 December 1997, which was faxed from the National Housing Ministry, Pretoria to all Provincial Housing Departments by Suzette Landman.

This press statement announced the merger of the two lowest income categories for a housing subsidy into one. The merger of R0-R800 and R801-R1500 was approved by the cabinet on 3 December 1997. She said this would enable poor families that earned R1 500 or less per month to qualify for the maximum of R15 000 or Consolidation Subsidy of R7 500. Since March 1994, with the implementation of the Government Housing Subsidy and the Consolidation Subsidy in June 1995 the minimum living level for households has risen from R834 per month to R1 130 per month in 1997 whilst the increases for households that depended on social pensions/disability grants had risen from R780 per month to R940 per month in 1997.

Currently an estimated 37,1% of all households in South Africa qualify for the full subsidy amount of R15 000 or R7 500 Consolidation Subsidy, and a further 23,9% qualify for a R12 500 subsidy. Based on the current spread of subsidies approved per income category and on the assumption that only 6% of the total number of subsidies to be provided are Consolidation Subsidies, an estimated 318 492 subsidies could be financed out of the 1997/98 housing budget allocation in terms of the existing policy. This would be financed by means of reducing the number of subsidies that could be financed from the fixed budget allocation for the 1997/98 financial year and subsequent financial years.

Minister Mthembi-Mahanyele said that with the new income categories approximately 310 739 subsidies could be financed, which is a mere 2,44% fewer subsidies in terms

of existing policy. With the merging of these two categories the affordability level of a substantial percentage of all households in South Africa, who currently live below the average minimum living level, would be increased.

From the researcher's point of view, this would not help unless the whole amount of R15 000 were used to build the top structure of a house, that is, if it were not used to finance the installation of the infrastructure as well.

INTERVIEW FORM FOR HOUSEHOLDS INTERVIEWS

Some of the residents did not have a problem with their names being mentioned in the research, but many of them wanted to remain anonymous. Therefore, anonymity was ensured in most of the household interviews in this study.

Date of interviews : 23/04/96

People interviewed : Residents of Mandela Park/Makhaya

Where interviewed : Mandela Park/Makhaya

Questions asked Responses

Question: What made you boycott the payment of bonds in the past here in Mandela Park/Makhaya?

Response: “The plot sizes are very small. It is difficult if one wants to park his/her car. In other words, one cannot have a garage and/or to put a line to hang washing. The building material used is poor as a result in winter during rainy days the houses become damp and walls are cracking. When the banks charge us the bond payments they do not take into account those problems”, Nkosinathi Mahala says.

Question: Why, as the people who are affected, do you not call back the developers/companies that were involved in building these houses to come to rectify their defects?

Response: Some of the companies or developers who were involved disappeared (they ran away). Others have changed their company names so that it would not be easy to trace them. This makes it difficult for us to trace them.

Question: Why much of the large portions of land in Khayelitsha is in the hands of private developers/companies?

Response: “During the 1980s (apartheid era) the South African Housing Trust (SAHT) bought the land in bulk with low market price from CPA”, Mr Kupiso says.

Question: As a Civil Engineering student and a resident in this area, do you think Khayelitsha was properly planned as a residential area with all the essential facilities?

Response: “Khayelitsha was poorly planned. The people who planned it did not envisage how it will be in 15 years time. It seems Khayelitsha was planned as temporal township. One can notice this in Site C which was started as using a bucket toilet system and communal taps with no tarred roads”, Mr Kenneth Mvandaba says.

Date of interviews : 23/07/96

People interviewed : Commuters

Where interviewed : Site C and ‘Tembokwezi’, Khayelitsha

Question: Do you experience any problems with public transport to the workplaces and shopping centres in towns, especially when one mode of public transport is not working, e.g. when there is a strike or taxi violence?

Response: In the case of bus transport, the residents of Khayelitsha are experiencing some transportation problems in their various routes to the workplaces and towns for

shopping. For example, "we are taking the route to Bellville, we have been waiting for a bus, since this morning the last buses to pass here passed at 6:15 and they were full up. It is difficult for us who reside at Site C and Tembokwezi (Tembani, Bongweni and Kwezi Park), except those who are next to Nolungile station bus stops. Because buses from Nolungile station bus stops when they came, they are already full up, there is no space for us, that is why they passed us. As a result of that we arrived very late in our workplaces and our bosses they always complained about that, and when we explained them about the transport problems they do not believe us. We only get a bus at 7:45 since 6:15, 2 buses passed, one was taking freeway, the other one via Nyanga, they were full up they didn't stop. It is better if the taxis are working, now it is worse ever since they are not working because they (the two taxi associations) are fighting each other. The reasons or main cause of violence is said to be over the ranks and routes control." This was also confirmed by the Cape Times (22/07/1996:1). The headlines read as follows: "Drivers shot in Khayelitsha: City braces for new taxi wars." The battle was said to be over the ranks of Nyanga, Gugulethu, Eyona and Philippi.

The problem of bus transport was experienced not only by the residents who take the routes to Bellville, but also those who take the routes to Claremont and Wynberg. "Everytime the taxis are fighting we are experiencing this problem. We do not know why the Golden Arrow Bus Company doesn't provide more buses especially during the time of taxi violence so that all the people who were using taxis could be accommodated. One says, last time by the time the taxis were fighting I decided to use train, but I experienced the same problem. The trains were coming full up from Khayelitsha and Site B (Khayelitsha and Nonkqubela stations), this makes it difficult for us at Site C (Nolungile station) to get in. In the trains there is a lot of push-push and one can end up falling down especially if he/she is standing next to the door. So it is very dangerous if it is full-up. Because I don't want to die and leave my children motherless, I decided to use the bus, although I experienced some problems (those stated above), it is much secured as compared to an overcrowded train."

Date of interviews : 20/08/96

People interviewed : **Residents of the informal areas, Khayelitsha**

Where interviewed : **Khayelitsha**

Question: Do you understand how the current government housing subsidy scheme works?

Response: Some respondents said that in the first place, "we do not know about housing subsidy scheme." Those who have some information said "we do not know how it works, so we would like the government to give us information or to conduct education programmes about housing subsidies." Moreover, we do not understand why the subsidy scheme is only applicable in urban areas and not also in rural areas.

Question: How are the living conditions as a shack dweller both in winter and summer seasons? In other words, how do you feel about social living conditions in your area?

Response: Social living conditions in the informal settlements (shacks) are inhumane, not good for habitability. Shacks are leaking during rainy days. They are badly ventilated, too cold in winter and too hot in summer and are prone to interior condensation and dampness. Shacks are also prone to fire and are frequently destroyed by fires, which occasionally result in serious injuries, loss of lives and properties. They are also vulnerable to floods and health hazards. Therefore, we are appealing to the government to speed up the process of providing proper houses/homes for its citizens, especially the low-income earners.

Date of interviews : 20/08/96

People interviewed : Residents of Kwa-Loyithi

Where interviewed : Kwa-Loyithi

Question: What are the reasons that forced you to leave your rural home to migrate to the cities?

Response: "We are here in the cities because of employment reasons, otherwise if the government can make jobs available in rural areas and supply those who want to undertake agricultural and livestock farming, with financial resources, facilities and other equipment we can go back to the rural areas". Another thing the government has to do for rural people, is to close the gap between rural and urban social living conditions, to make village or rural life attractive especially for young rural people. "If you notice, the young rural people ranging from 20-35 years are leaving the rural areas for urban life. And if all the facilities available in the urban/metropolitan areas, although they are still inadequate in the most informal areas, can be made available also in rural areas could relatively reduce the problem of rural-urban migration."

The growing unserviced areas ("temporals") in Khayelitsha are the result of a "rural exodus" to seek employment in urban/metropolitan areas. "This was the main reason why we came to Cape Town", this was the response of the households who live in the unserviced areas such as Kwa-Loyithi with 33 shacks at the time of the interview, next to Metro Cash & Carry wholesalers and Crossways Caltex Service Station.

Question: Are there any social services or facilities here in this area?

Response: "We only get water from the garage. If the owner of the garage could refuse to allow us to fetch water there we do not know where we could get water."

Date of interviews : 20/08/96

People interviewed : Residents in the “core-houses”, Khayelitsha

Where interviewed : Khayelitsha

Question: How are the living conditions in these “core-houses” in all seasons of the year?

Response: Living conditions in houses built by the government are very bad, because they are incomplete and small. Houses are overcrowded because of the size of our families. As a result backyard shacks are erected. “Therefore, we are appealing to the new government to assist us in upgrading these houses.”

Date of interviews : 25/09/96

People interviewed : Residents of Site C

Where interviewed : Site C, Khayelitsha

Question: Do you experience any problem with regard to water or electricity in this area?

Response: In this area (Site C) during weekends water pressure is slow, and we do not know what is the cause of this problem. With regard to electricity, during winter especially rainy days, we often experienced power failure of electricity.

Question: Do you have any problem with regard to double occupation of site?

Response: The site is too small for two families. It is difficult if one wants to park his/her car (those who have cars). In other words, one cannot have a garage and at the same time to put a line to hang washing.

"We were promised that the problem of double occupation would be resolved soon, but now we are told that there is a problem of land unavailability to relocate us. Now we do not know how long this is going to be solved."

Question: How many times a week does the local authority come to collect refuse?

Response: The Council (Lingelethu West Town Council) is inconsistent, sometimes the truck comes at least once or twice a week. Other times it comes less often.

Question: Why is there refuse dumped in open spaces including the front of the schools?

Response: It is important to note that there is no rubbish disposal for the residents who live in the unserviced areas ("temporals"). The only thing they can do is to use communal refuse dumps for their refuse removal. Sometimes these communal refuse dumps (rubbish skips provided by Local Council) are stolen by people who are unemployed and no longer prepared to seek employment except to steal these rubbish skips and sell them to "Chicks", recycling company. In cases like that, residents of "temporals", alternatively, dump their refuse in open spaces or in front of the schools where there is an open space.

Sometimes these mounting, stinking heaps of uncollected refuse are used by the girls who do back-street abortion. This happened twice in front of Ntlanganiso High School in Site C in 1996 alone. The heaps of uncollected, stinking refuse also cause flies that spread diseases. This in turn causes health hazards, even the children unknowingly play in this stinking uncollected refuse.

Summary

The organisations/institutions for the interviews were selected on the basis of the relevance of the services they rendered in the community to the study objectives. For the household interviews, people were selected randomly from the areas such as Makhaya/Mandela Park, 'core' houses in Khayelitsha, unserviced areas/"temporals" in Site B, Site C and Kwa-Loyithi. In the site and service areas, Site B and Site C were again selected.

The total number of 85 households were interviewed – 45 from the unserviced areas/"temporals", 25 from the site and service areas (informal housing) and 15 from the bond and 'core houses' (formal housing).

The responses that are reflected in the interview form are the most important and relevant responses to the study objectives. Sometimes other respondents were repeated the same things. Therefore to avoid such repetition the study has taken a sample of those responses to depict the housing and development situation in Khayelitsha.

From the empirical research it is appears that Khayelitsha is brain- child of the previous government's urbanisation-related policies, which regulated spatial development of Africans in the urban/metropolitan areas. The poor town planning and the squalid conditions of housing are evident. In the past, there was no clear rural development programme implemented to discourage rural-urban migration. Instead migration was encouraged through the migrant labour system. Consequently, this has resulted in the present housing and developmental problems in South Africa's urban/metropolitan areas in general and Khayelitsha in particular. But, this does not

suggest that Influx Control and other oppressive measures should be re-introduced. What is suggested is that there should be incentive measures, which could attract people from urban/metropolitan areas to rural areas. Village or rural life needs to be improved. Rural areas should be developed so that they can retain their population. This requires an integrated and co-ordinated positive counter-urbanisation programme.