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The discourses on the right to housing in Gauteng Province, 1994-2008.

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CHAPTER SEVEN

HOUSING POLICY IN SOUTH AFRICA

7.1 Introduction

"Policy" is a form of government commitment and application of "scientific knowledge" to achieve goals in areas of its activities or to solve problems (Colebatch 1998:1-4; Moodie 1984:23-4). From a Marxist viewpoint, policy-makers in capitalist society are not free agents, they make policy in terms of the constraints of the capitalist nature of social relations and the economy (Callinicos 1984:131; Colebatch 1998:6, 16). Although soliciting experts from outside of government, there may be processes also effectively excluding the involvement of certain groups (Colebatch 1998:18-22). Policy is tied to the "politics" of persuading voters and legislators about certain decisions, and how interest groups, such as low-income classes, ethnic groups, or even housing associations for poorer classes, influence state power in the use of society's resources (Callinicos 1984:132; Colebatch 1998:73-4). An extension thereof is what Rein and Schön (1993) call a "policy discourse" as an approach to making sense of certain policies, because the affected social agents frame or see the world differently. It "refer[s] to the interactions of individuals, interest groups, social movements, and institutions through which problematic situations are converted to policy problems, agendas are set, decisions are made, and actions are taken" (Rein and Schön 1993:145). This includes the systems of values, preferences, norms and ideas, by which affected parties make sense of an issue, and how to act on it. Unequal power relations are part of this because sometimes there are factors which marginalise and question the legitimacy of some of the participants in the policy conversation (Rein & Schön 1993:157).

There have been conflicting "frames" by which involved parties have dealt with

the housing question in South Africa through the apartheid and post-apartheid eras. The latter theoretical insight informs my detailed empirical and historical narratives in the present and subsequent chapter. Although the NP provided some housing stock for blacks, and specific policy and legislation dealt with housing blacks, nevertheless, these actions were devoid of a discourse of full and equal citizenship rights for blacks; the extent of housing provision in this era was linked to the competing labour needs of different sectors of the economy. The right to housing was an issue which squatter, liberation movements, and civic organisations mobilised on; it informed opposition to and the eventual demise of the NP government. My exposition outlines the following key moments: NP urbanisation and economic policies; housing policy under NP rule; negotiating post apartheid housing policy; developments since the new housing policy under a new regime, which is impacted by rights discourse . The provision of housing and the meaning of 'adequate housing' is linked to developments in the economy as well as to ideological persuasions; I refer to key moments in NP economic policy, as well as under the ANC government, which inherited economic transformation challenges. I examine the crisis in the economy and its restructuring, debates about national budgets, policies affecting social spending, and decisions about housing allocations. In critical tone, I highlight concerns about housing policy and the right to housing since 1994.

7.2 The apartheid years: 1948 to 1976

The mineral discoveries of the nineteenth century and the take-off of manufacturing industries in the twentieth century prompted recruitment of thousands of African migrant labourers settled in compounds, supposedly for sanitary purposes (Turrell 1984; Legasick 1974:264), but this system also provided a model for the disciplining and control of such labour. The segregation policies of Union government between 1910 -1948 were the prelude to apartheid policies from 1948; for the governments of both eras, housing African labour in compounds and curbing Africans's access to urban housing were central features of their policies. Wolpe (1972) argued African migrant labour housed in

compounds and policies which curbed their permanent urban residence during the segregation era, formed a cheap labour system: it was apparent to corporate interests and policy makers that as long as Africans had access to land in the reserve areas, their links to productive activity there supplemented the low wages migrant workers earned in the white-controlled sectors of the economy. This system was unsuccessful because the agricultural basis of the reserves areas could not support the needs of a growing reserve population, the land available for grazing was over-utilised, and, the number of Africans permanently settled in cities and towns increased.

Apartheid facilitated the emergence of urban secondary industries and increased demand for cheap African labour as well as attempts to reinforce influx control policies and retain the system of cheap migrant labour. For Wolpe (1972), the NP's infamous ideology of racial separation, was a system for maintaining cheap African labour sourced from reserve areas. Legassick (1974a:13-16) notes that white secondary industry entrepreneurs favoured the settlement of African skilled workers in urban areas; he adds that apartheid strategists sought to decentralise industry so as to continue the recruitment of African labour from contiguous reserves and housed in male-only compounds rather than family housing (Legassick 1974:276, 278-80). Posel (1993) argues apartheid influx policies gave work preference to urbanised "detribalised" Africans over "tribalised" Africans with links to families and productive activities in rural areas. Discussion of housing policy for Africans, must include two related aspects: the separation of races to satisfy racist sentiment and, acquisition of cheap African labour for different types of labour demands of different sectors. Key to enforcing these policies was to curb African access to housing in urban areas as well as tight control over increases in housing stock for urban Africans, thus forcing the "surplus" to seek wage labour outside of the white urban areas.

The first housing act passed in South Africa was the *Housing Act of 1920 (Act No. 35 of 1920, Union of SA 1920)*. Although an explicit statement of the intended beneficiaries was absent from its clauses, the real beneficiaries of the enforcement of this legislation and procurement of housing stock was the 'poor whites' segment of the population. Urbanised Africans lived in urban squatter

camps and housing complexes called 'locations', which official commissions noted for being unhygienic, overcrowded, and rife with tuberculosis. They represented a health threat to their inhabitants as well as to whites (Language 1950:27). Pauline Morris (1981:15-6) argues this legislation was also prompted by an influenza epidemic in 1918, which caused many deaths among 'non-Europeans'; the subsequent hygiene concern prompted more attention be given to slums and the African locations. The *Native Urban Areas Act of 1923* gave specific attention to housing stock set aside for Africans. The Act set terms whereby white municipalities procured revenues for the construction of houses for Africans: the production and sale of sorghum beer, from fines, from renting houses, and from rentals of trading rights (de Loor 1992:60-1, 97; Morris 1981:23-6). Between 1917-1948 it became a policy issue of different governments whether to accept permanent urban status of Africans and how to deal with the costs of providing housing for them (Morris 1981:17-29).

Housing policy and legislation that unfolded under apartheid were instruments to enforce segregation ideology. In 1951 the NP passed the *Prevention of Illegal Squatting Act* (Union of SA 1951) which penalised unlawful occupation of public and private land and buildings, and land in native locations, authorised the removal of occupants of such places, and the demolition of such structures. The 1957 *Housing Act* repealed housing and financing legislation passed between 1920-1948. It created: a National Housing Fund, a National Housing Commission, a separate Bantu Housing Board which was effectively controlled by the Minister of Native Affairs and his department's views on Black housing. It tightened controls on granting housing loans from the National Housing Fund as well as private sector building societies. Funds for construction of Black urban housing could be drawn from the National Housing Fund (SAIRR 1961:159). The *Urban Bantu Councils Act* (RSA 1961) made Black officials the enforcers of influx control measures. Members of such councils managed township affairs from 1963, had authority to expel persons unlawfully in their jurisdiction, dealt with unlawful occupation of buildings as well as demolishing such structures.

These key pieces of legislation were enacted as apartheid policy evolved. Posel

(1991:60) argues there was no single conception of apartheid; different organisations of white groups, particularly those controlled by Afrikaners, approached the matter of the total segregation of the races, the political exclusion of Blacks, and acceptance of some measure of integration because of whites's economic dependence on Black labour, differently(Posel 1995:209-18). Mindful of the argument that apartheid was not an already well thought through "grand plan" but policy that evolved over years because there was no single conception thereof, and because different business interests had changing labour needs, Terreblanche (2002:312, 314) says the NP campaigned on its apartheid slogan to differentiate its own segregationist policy from that of its elections rival, the United Party (UP); the NP had not yet stated the intricacies of its proposed apartheid policy. Apartheid's ideology and its repression of black political organisation, was a system of organising shifting interests in the acquisition of black labour for different sectors of the economy, and to bring into the white controlled economy the labour power of those Africans living off 13% of the country's land mass in the reserves. Terreblanche (2002:303-4) argues that what apartheid policies sought was the regulation of the movement of Africans, their living and working patterns and intellectual life and meeting the labour needs of the agriculture and emerging Afrikaner industrial sector.

Political turmoil followed the increase in the numbers of Blacks in urban areas. One influential Afrikaner organisation, the South African Bureau for Racial Affairs (SABRA), pressed the NP for the total segregation ideal: they argued the productivity of African labour was low and it should gradually be withdrawn from the white economy without harming the economy and substituted with efficient white labour and increased mechanization (see also Lupton and Murphy 1995:144). The Afrikaanse Handel Instituut (AHI) opposed total segregation but favoured state regulation and control of Africans' access to urban areas in accordance with the labour needs of white employers in these areas (Posel 1995:215). The South African Agricultural Union (SAAU), an organisation made up of Afrikaans and English speakers, was not opposed to African urbanisation, as long as accommodation was available (Posel 1991:218). The evolving apartheid policies were not a grand plan, but were shaped by the shifting

balance of influence between what Posel (1995) calls the two main conceptions of apartheid, the “purists” and the “practical” exponents. “Purists” in the Afrikaner Broederbond (AB), SABRA, and the Dutch Reformed Church (DRC) campaigned for the total segregation of black and white, the reversal of African urbanisation, in order to secure white supremacy, while the “practical” exponents in the AHI and SAAU conceded to a stabilised urban African workforce as determined by the needs of white businesses. The growth of manufacturing industries increased demand for African labour. Wolpe (1972:444) argues that by 1970 many urban African industrial workers had no significant links to the reserves. What needs to be understood of apartheid is that the urban status of Blacks, whether permanent or not, impacted the extent of housing stock provided for Blacks by the authorities of the white-controlled state and that the demand for housing was an issue that impacted the political organisation of Blacks in urban areas.

From the 1930s, facing impoverishment of rural subsistence and low urban wages, Blacks in urban areas not only protested about wages, but also mobilised squatter movements and bus boycotts (Roux 1948:317-9, 322-5; Stadler 1979); however, their focus on immediate issues appeared to cause disinterest in the broader national politics of the ANC (Bonner 1991:77). Apartheid policy sought new mechanisms for the reproduction and control of cheap Black labour, to control their industrial and political action, and to reconstruct the reserve areas in order to stem Black urban migration. The apartheid view that Blacks were only temporary travellers through urban areas, was one policy dimension to enhance control over the job attainment and geographic mobility of Blacks. After 1948, the NP sought to enhance the Pass Laws and the *Native Urban Areas Act of 1925*, to remove excess Blacks from urban areas (Wolpe 1972:445-447). The policy was not successful, Black urban influx and overcrowding persisted. Anthony Marx (1992:62) describes the persistent misery thus:

> “The African population in the ten largest urban centers doubled from 1971 to 1975, but the housing stock grew by only 15 percent in the same period. By 1975, each house in Soweto had an average of seventeen inhabitants, and the vast majority of these

> houses had no toilet, running water, or attached buildings. Those who could find no room in their houses built their own adjacent shacks thereby ending the concept of backyards and privacy."

Acquisition of housing by Blacks during white rule prior to 1994, particularly in urban areas, was influenced by the demands of industries for a stable workforce. A number of houses were built for Blacks and new townships were constructed. What also should be noted is the predominant role of white policy makers in determining all material factors concerning Black housing. Mr CW Prinsloo (1950), a Pretoria municipality employee who dealt with Black housing, argued housing provided to Blacks should not "Europeanise" them; it should retain features of their village solidarity bonds where traditional authority structures could be reinstalled and may curb crime; the housing should use the same types of material that their ancestors used; it should avoid costly products where white taxpayers subsequently subsidise the construction of such houses; and, it should be self-help housing that did not use expensive white labour but Black labour instead. JF Language (1950) argued in the SABRA journal that: urban employers favoured employing newly arrived non-unionised Blacks rather than those long settled in urban areas, consequently worsening the housing shortage; the total figure of houses constructed for "non-Europeans" obscured the fact that many of these went to coloureds and Indians; loans to build Black housing were acquired at an uneconomic, less than usual, profit rate; and, local authorities must enforce a policy of housing only Blacks lawfully in urban areas.

Housing provision segmented the Black urban population into "insiders", those whose housing needs were catered for by the state and private sector, and "outsiders", who populated informal settlements (Hindson 1987:56-64, 91-94; Lupton & Murphy 1995:144; Mashabela 1990:11-13). Recognition of the urban permanence of Blacks did not mean commitment to house *all* Blacks. In places where freehold rights for Blacks had existed before 1955, the NP acted by 1968 to prevent this through disallowing the sale of land to Blacks as well as further independent construction of houses on such land (Lupton & Murphy 1995:145). Shacks, squatter camps, and informal settlements were an outgrowth of policies

prior to 1994. Such shelters are an enduring phenomenon since the political transition and are part of the right to housing issues that the ANC government has to deal with in its discourse of housing problems as a 'backlog'.

Apartheid housing policy was an extension of an ideology of maintaining separate officially defined race groups, and viewing Blacks as "temporary sojourners" in "White South Africa"; those accepted as settled, urbanised Blacks were sheltered in small houses in townships (Jhatam 1991:225-227). An austere budget, and spartan "matchbox" houses (Lupton & Murphy 1995:147; Tomlinson 1998:138) set the standard of adequate amenities; anything more comfortable would discourage Blacks from identifying with their "tribal homelands". Christopher (1983) has written of the colonial context and approach to housing for subordinated groups which emphasised segregation because of the hygiene concerns of the dominant groups. Swanson (1977) refers to the disease concerns and colonial language's use of an imagery of infection, which drove segregation policy in colonial contexts, as the "sanitation syndrome"; it was practised on a class basis in nineteenth century industrial London, but on a colour basis in colonies. Theo Crosby (1975:24), a white architect who reminisced on his work designing township houses acknowledged a context of dominance and Christian paternalism which shaped the products he designed; there was little attempt to enhance standards or quality of life through the kinds of structures built, and the intended beneficiaries rejected these standards:

> "The origin of our housing programme was an honorable and Christian desire to help the poor, and it was a manifestation of the responsibility of the ruling classes. Today that image of paternalism is rejected even by the poor who now demand houses, jobs and affluence as a right. This new attitude, this rejection of charity, of something given from above like a uniform which doesn't fit, has overthrown the traditional definition of housing as a kind of charitable provision."

> "My first job, in 1941, in the architect's department of the Johannesburg City Council, was the laying out of houses along the

> roads of an African location, or housing estate, The houses were of two and three rooms, corrugated iron roofs, and a little shed in the yard housed a useful bucket. I laid out the houses more or less at random, three-roomers at corners and scattered among others. I did the work with uncritical enthusiasm ... ."

In the largest township, Soweto, 90 percent of the houses were three- or four-roomed structures, most were 40m^2 in size, few had inside bathrooms or toilets (Morris 1980; PLANACT 1989:35). Citing a report of the Development Bank, a housing and urban development research organisation, PLANACT (1989:34) highlighted a Soweto hostel provided about 3.5m^2 per person, while occupants of the whites-only Hillbrow apartments had about 57m^2. Referring to township housing standards, NP Member of Parliament Piet Koornhof remarked it would be folly to impose developed world standards on the Third World circumstances of South Africa (Morris 1980:136).

Between 1948-1962, an average of 11 386 houses per annum were built in townships. Production of Black township houses down to a total of 5 227 for the years 1968 and 1969. That diminishing trend continued through to the urban uprisings of 1976. The 1976 uprising prompted a new direction in the production of black housing.

Up to the watershed year of the revival of resistance to apartheid in 1976, for coloureds and Indians the policy of race separation meant the loss of houses and property rights through evictions and demolitions of houses and other buildings to enforce the *Group Areas Act*, and its amendments. The *Group Areas Act* made it difficult for coloureds and Indians to own or occupy property in urban areas, to trade in urban areas, and subjected them to evictions and removals (James 1992). It also contributed to their experience of a housing shortage because of the limited land share set aside for their residential needs. Despite a separate budget and housing departments, the housing shortage increased for coloureds and Indians, but was always overshadowed by the shortage for Blacks. The Minister of Community Development reported a coloured housing

shortage across four provinces in December 1972 of 41 300, and 15 300 for Indians (SAIRR 1981:345-6). In December 1976 the Minister of Community Development informed Parliament that coloureds required 58 600 units, and Indians required 21 235. (SAIRR 1978:431). That same year, 1 100 coloured and 5 164 Indian families were removed in terms of the *Group Areas Act* (SAIRR 1978:434). In the western Cape, a region apartheid ideologists sought to set aside as a coloured labour preferential area since 1954 and to reduce housing for Blacks there (Morris 1981:42-4, 66-8, 87-8; SAIRR 1963:110-11), there were between 120 000 to 180 000 coloured squatters and 30 000 Black squatters (SAIRR 1978:448). Government plans to demolish their shacks and evict these people saw the emergence of organisations, such as the Modderdam Squatters Committee in the late 1970s which attempted to unite coloured and Black squatters to resist their eviction (SAIRR 1978:451; also Silk 1981). Although to different degrees, similarities in not enjoying the right to housing contributed to the formation of civics organisations in Black, coloured and Indian urban areas and drew them into alliances against apartheid in larger national level umbrella organisations.

7.3 Reforms in black housing policy: 1976 to 1994

Labour strikes in 1973 and education uprisings in 1976 revived resistance towards the policy of racial separation, forced removals, low wages, and unequal services (Lodge 1983:321-56). The NP government's repression of that resistance was accompanied by continued relocations of people in "black spots", the granting of "homeland independence", and reforms about the status of urban Blacks. Two state commissions advised the NP on reforms (Gelb 1981:63-78). The Riekert Commission (RSA 1978) on influx control and the position of urban Blacks recommended new ways of recruiting and channeling Black labour to the sectors where it was demanded and reforms of influx controls. For instance, that: influx control be linked to the availability of work and approved housing; the private sector be permitted to construct housing in townships for its employees to purchase; the private sector be permitted to finance housing schemes for

Blacks; the state subsidise the housing of its Black employees in the same way it did for its employees of other population groups; the state make more land available where higher income Blacks may build their own houses. The Wiehahn Commission proposed reforms towards black trade unions.

7.3.1 Shifts in urbanisation policy

The NP policy of controlling urbanisation through influx control and industrial decentralisation caused the concentration of Blacks in extensive rural slum areas in the Bantustan and "independent" homeland areas. Murray (1988:110-111) called this "displaced urbanization"; estimates of the distribution of the Black population between 1960 and 1980 reveals an increasing density or proportion and percentage of the total Black population as living or concentrated in the Bantustan or homeland areas (Table 7.1).

TABLE 7.1: Black population in Bantustans

	1960	1970	1980
total	11 506 900	15 468 100	20 971 800
Bantustan	4 440 200	7 481 900	11 055 600
as % of total	38.5	48.3	52.7

(Simkins 1983)

In this period, the state withdrew from Black housing provision in "white" South Africa, but simultaneously increased spending on housing in the Bantustans. From the mid-1980s changes occurred in influx control policy to constrain Black urbanisation by limiting access to jobs and housing to "insiders". The change increased the commuter migrancy phenomenon, under the guise of an "orderly urbanization" policy administered in terms of the *Slums Act and Prevention of Illegal Squatting Act*. Contrary to NP policy, the Urban Foundation, a private sector organisation that sought reforms of apartheid policy, advocated for the acceptance of the inevitability of black urbanisation and the growth of informal settlements (Huchzermeyer 2004:122), and made claims about the positive

economic growth consequences of black urbanisation if managed differently; it appealed for the termination of influx control by 1986 (SAIRR 1986:211). The NP converged with this thinking in its *White Paper on Urbanisation* in 1986 and passed the *Abolition of Influx Control Act of 1986* (SAIRR 1986a:331-348). The government would use a system of "approved accommodation as a deliberate measure to promote orderly urbanization" and channel migrants to approved sites (SAIRR 1986a:332-3) and illegal squatters relocated to serviced land and made promises to upgrade squatter settlements (SAIRR 1986a:337). Nevertheless, charges were made that government used other laws to control the growth of informal settlements (SAIRR 1988:459).

One can easily forecast that the demise of Bantustans and "independent" homelands, and the repeal of legislation constraining Black urbanisation, would free their movement to employment opportunities where there was economic activity, rather than to areas which served the cheap labour and decentralisation policy. This free movement places immense housing provision pressures on a new government. The pressure is exacerbated by the diminishing security of tenure of black households on white owned farms. Mark Wegerif (2005), a member of a rural development NGO, reports on the findings of a survey they undertook: in the final decade of apartheid (1984-93), 737 000 black South Africans were evicted off farms, but in the post apartheid era of 1994-2004, more than 942 000 people were evicted from farms. The survey (Nkuzi Development Association 2005) reports that in the 21 years between 1948-2004 3.7 million people were permanently displaced from farms, 1.586 million were evicted from farms as a result of the direct action by the farm owner or person in charge, only one percent of the evictions were through a legal process, more than 67 percent of the evictees move to informal settlements in urban areas and the poorest part of townships, most settle in Gauteng and KwaZulu-Natal anticipating greater work opportunities. However, their impoverishment persists: 76 percent of the evictees have no education beyond primary school making them functionally illiterate, have only farm labour skills, so are forced into low-income employment, if employed at all. The evictions themselves impact government service delivery, they further strain housing resources; the survey estimates it would cost more

than R500 million per year to build RDP houses for the evictees, or about 12 percent of the housing budget. Nkuzi Development Association sees these evictions as a human rights issue and has aligned itself with other civil society organisations protesting against evictions and calling for a moratorium on evictions. Its alliance with these civil society organisations is also because it sees the Minister of Land Affairs and Agriculture as more ready to meet the farmers and not with the landless evictees and civil society organisations representing them (Blom 2007).

7.3.2 Shifts in NP economic policy and its effect on housing policy

Apartheid policies were partly prompted by influential petit-bourgeois organisations that mobilised white Afrikaans-speakers of different class backgrounds to support an Afrikaans bourgeoisie's advance in the industrial and commercial economy (see O'Meara 1983). For decades, the economic logic of apartheid was not about the free operation of market forces but about state intervention in the economy to assist whites, especially poor Afrikaners. Under PW Botha NP economic policies evolved, signaling a paradigm shift towards the neo-liberal rationale of markets as efficient providers of goods and services. In 1987 the NP released its *White Paper on Privatisation and Deregulation in the Republic of South Africa* (Lazar 1996:617-8); it urged for decreased government social spending and private sector provision of such goods and services. In the early 1990s the NP fine-tuned its economic policy in *The Key Issues in the Normative Economic Model* document of 1993 (Lazar 1996:618).The document praised market-oriented systems, and slammed those where states played a strong role. It advocated a smaller state and a reduction in state spending on social services. The NP would take these ideas into the new era of an inclusivist process of negotiating housing policy-making with other interested parties when the National Housing Forum was founded in August 1992.

7.3.3 The Urban Foundation's entry into housing provision

The Urban Foundation (UF) was launched in 1977 as a non-profit private sector organisation and a new key role player shaping legislation about Black urbanisation and housing financing and production strategies for urbanised Blacks. It sought "peaceful structural change" (UF 1982:1) within the apartheid framework and UF and NP members promoted Black homeownership schemes as they hoped such reform initiatives would curb repetitions of the 1976 uprising. Business representatives and banks supported the UF initiative as a forerunner of the reform of housing policy and other services imposed on urban Blacks. Several white academics were also drawn into the organisation's activities. Its main business advocates were Harry Oppenheimer of Anglo American Corporation and Afrikaner businessman, Anton Rupert (Bond 2000:125-131; Davies 1984:122-5; Jhatam 1991:227-9; Lodge 1983:336), with former judge Jan Hendrik Steyn as its executive director (Nuttall 1979:9). Their motives were inspired by a discourse of rights which accepted black urbanisation and felt it had to "negotiate with Government for new legislation which would have the effect of entrenching unassailable home-ownership rights for the urban Black." (UF 1978:2). Furthermore, that "the structure of our society ... results in millions being deprived of their basic rights and dignity as human beings" and sought to assist the black community to realise "housing and associated rights and facilities" (UF 1982).

The UF stated that a "free enterprise economic system" was one of its values while it was committed to "improve the quality of life" in the townships, and expressed concern about urban housing, education and employment needs of urban Blacks (UF 1982). It sought to get blacks to accept free enterprise values and UF statements reveal political motives such as the development and co-option of urban Blacks through using access to housing; this class would have:

> "western-type materialistic needs and ambitions [because] only by having this most responsible section of the urban black population on our side can the whites be assured of containing on a long term basis the irresponsible economic and political ambitions of those blacks who are influenced against their own real interests from within and without our borders" (UF Statement 1977, quoted in

Davies 1984:123).

JH Steyn, advocated connections between “home ownership for the urban Black”, the role of the private sector in housing provision because of the limited capacity for state financed housing, housing as a means of forming capital, and “stability and self-reliance” as the eventual outcomes of their initiative (UF 1978:1). Black homeownership was expected to procure some semblance of political stability among urban Black working and middle classes, because the latter had cultivated a measure of faith in free-enterprise rather than radical ideologies (Bond 2000:128; Mabin 1983:4). An issue that surfaced, and was dealt with by political activists and social analysts at the time, was akin to the argument made by American housing researcher John Agnew (1981); it was the claim of a connection between home ownership through the UF’s activities and the co-option of a privileged, property owning, black elite or “black middle class”. Home ownership acquired through bank loans entails a responsible attitude towards personal debt. Thus the expectation among reformist white politicians and businessmen was that a home-owning black urban middle class would be less amenable to militant tendencies; Zach de Beer (quoted in Bond 2000:128), a member of an opposition party in Parliament expressed the expectation that home-ownership gives people a stake in society and an interest in its stability.

The UF sought reforms of urbanisation policy and housing strategies within the apartheid framework by negotiating with the NP government for legislative reforms (UF 1978:2). It is argued the UF inspired the *Black Local Authorities Act of 1982, Act No. 102 of 1982* (RSA 1982), a scheme that meant the transfer of township control to pliant Black administrators: they would administer the oppression of their fellow Blacks (Murray 1987:110, 122-124). The role of the UF was consistent with the NP’s attempt to shift black housing provision to the private sector. The NP would still shape housing policy, but it would permit the UF to take the lead in the new approach. The UF also influenced the 99-year leasehold scheme, which was a product of the *Bantu (Urban Areas) Amendment Act of 1978, Act No. 97 of 1978*. The UF was enthusiastic about the *Bantu (Urban Areas) Amendment Act (no. 97 of 1978)* feeling that the changes retreated, to a measure, from the view that Blacks were temporary sojourners

in white South Africa. The amendment permitted Blacks with section 10 privileges to acquire property on a 99-year leasehold. The UF proposed to the township administration boards the idea of self-help housing (Jhatam 1991:229-230; UF 1987:63). Loans were obtained from American banks (UF 1982:18) once the NP was influenced to move beyond the notion of Blacks as 'temporary sojourners' and to amend the *Financial Institutions Act, Act No. 80 of 1978*, which permitted building societies and banks to grant loans to black leaseholders (Lupton & Murphy 1995:146, 149). The turn to the private sector did not produce spectacular results --- between 1975-1983 the private sector provided only 2 000 houses. Of all the private sector financing, a mere one percent went to black housing. The new housing initiatives still operated within the confines of apartheid laws about land allocated to blacks: private developers and the Urban Foundation could not develop their own land for black housing projects, the developments were completed on land owned by the erstwhile black development boards and development authorities (SAIRR 1986a:349).

Both the UF and left wing critics of the housing reforms expected conservative and divisive effects within the broader black population (Mabin 1983:4; Saul & Gelb 1981:78-81). Anton Rupert felt urban Blacks would become a "settled middle-class society", and left-wing critics were wary that influx controls would continue to restrict migrant workers from permanent urban settlement (Saul & Gelb 1981:63-9). Rupert was not wholly correct since many of the participants in the civic organisations formed since 1979, and organisations that arose in 1983 to organise broad alliances across class, race and ethnic divisions to oppose the apartheid government, were of black urban middle class background: they lived alongside more impoverished blacks and many are described as 'second generation' settled urban Blacks (Seekings 2000b:8-21). The internal organisations that arose in 1983, the National Forum (NF) and United Democratic Front (UDF), attracted trade union support, and accused each other of really being lead by petty bourgeois figures (Jochelson 1985), although the NF position was that the black working class was a leading force in the struggle against capitalism and racial domination (Callinicos 1986:21).

The term ‘site-and service housing delivery’ predates the UF (see Parnell & Hart 1999) and its self-help housing initiatives were not innovative in SA. Successive white governments supplemented the main approach of direct state involvement in housing as a means of controlling Black urbanisation and maintaining racial segregation with self-help housing. The UF’s self-help idea entailed the prospective owner assuming the responsibility of managing the building of his own low-cost home. Building could be done by himself or local builders trained on the job. The UF creed of “advancement through one’s own efforts and through self-reliance, within the free enterprise system” (UF 1980:1) saw its involvement in many projects entailing families paying a deposit (about R200), provision of a materials loan (about R2 000), assistance with house plans, and provision of a site serviced with one tap for every eight houses, a bucket toilet system in the backyard, and a coal stove for cooking (see UF 1980:5). Electricity provision was withheld in acknowledgement that incomes were very low and adding that service would increase prices by R2 000 to R2 500, thus excluding many people. The views of UF employee Ben Struwig, who oversaw a project in Katlehong township near Germiston, on the prospects of the UF’s self-help housing programme, vindicate the deprecatory claims the civic organisation activists made about this type of programme:

> “The UF has learned that there are many people who cannot afford a four-roomed house - so enter the starter house. It’s a sensible concept. One chooses a site and orientation; the UF pours the foundation and installs a standpipe at the edge of the site. Materials are delivered - whatever is necessary for a two-roomed core house or a three-roomed shell house, plus an outdoor toilet-cum-shower. The starter is designed to be added on to. The basic price does not include such niceties as ceilings or floor, plaster or paint. “That house is going to be added on to, as sure as the sun rises tomorrow morning”, says Struwig, “so why plaster now?””(Urban Foundation 1987:64)

Although the UF professed an interest in the Black workforce’s “quality of life”, critical positions (Jhatam 1991:228-9) contend it foisted onto Blacks architectural

ideas reflecting the dominant white views of what was adequate for Blacks, and their delivery record rendered their patronage questionable. Civic movements have observed that the UF, then later the Independent Development Trust (IDT), and white bureaucrats surviving from the apartheid regime, since the transition to a new regime after 1994, have attempted to continue influencing black views in a way that lowers their expectations of adequate housing. Civics activists were wary that white reformers came from a privileged background and the UF foisted onto blacks an undemocratic, non-participatory housing policy, which amounted to a "site and service 'toilet policy'" (Mayekiso 1996:241-8).

Much doubt has been cast on the potential of the idea of self-help housing for society's already poor. Marxist critique of self-help housing (see Burgess 1977) emphasises its operation within capitalist social relations; this housing for the poor is for their immediate use and not for exchange on the housing market, but is an important complement to the other projects that provide housing for the maintenance and reproduction of labour; and, inevitably, the capitalist corporations that supply building materials benefit from the state's concession to this type of housing. The UF's approach mirrored that advocated by housing researcher John Turner and the World Bank, and adopted by power-elites in other parts of the world (Gilbert 1984:103, 105). Gilbert (1984:92), who has studied urbanisation processes and housing policies in poor countries, pointed out how increases in the prices of building materials inhibits the consolidation of a starter house. Self-help programmes produce a problem which needs to be attended to. Such schemes only entrench the inequality situation in a society --- it is seen as normal that the urbanised poor have such innovative ways of coping with housing shortages like building shacks and squatting. Clearly more needs to be done to assist with the consolidation process. Surprisingly, the Fagan Commission (Union of South Africa 1948 para.35) reported favourably on how local government in Bloemfontein and Kroonstad helped "Natives" complete houses after the municipality bought building material at wholesale prices and sold these to Blacks under a repayment in instalments scheme.

7.3.4 State-led initiatives: The 'Big sale'

In 1983 a new state-led initiative emerged from the Department of Community Development and the Bantu Affairs Administration Boards (Hardie & Hart 1986:17; Mabin 1983:4). In the NP's political reform language of the time, it was part of a "new dispensation" --- the selling of approximately 500 000 state-owned rental housing units to white, coloured, Indian, and Black tenants in their residential areas. This home-ownership initiative was deemed as having co-optive consequences; prominent Soweto politician, Dr Nthatho Motlana, saw the sale as having "stabilising effects" (Mabin 1983:4). The offer had both attractive and coercive elements to it. On the one hand, blacks were offered houses at prices well below the inflated original building cost, and, on the other hand, those who did not buy faced steep rent increases. However, by March 1984 only 5 914 had been sold, and by late 1985 approximately 38 000 houses were sold. The low sales figures are attributed to the low incomes of black households, lack of loan finance, opposition from township political groups, and official tardiness in surveying sites (Hardie & Hart 1986:17-20).

The initiative was received with a mixture of perspectives among black working class people: not all saw home ownership as an investment; there was confusion over how prices were calculated; and, there were suspicions about the state's reversion on its "Big Sale" decision, which could cause financial losses. The initiative did not do one crucial thing about the accumulating housing backlog, namely, increase the housing stock by building more houses. The financial circumstances of most black households did not permit them to make financial contributions to home ownership and their living conditions worsened. Anthony Marx (1992;149) highlights figures produced by PLANACT (1989:21-2) and the Bureau for Market Research (1986:67) on the average monthly incomes in Soweto households and compared this to the "minimum living level" of R809, the monthly estimate to support a family in the urban areas; between 54 and 68 percent of Soweto households earned below the minimum living level.

7.3.5 The Independent Development Trust

The UF shut down in 1995 but left an important residual influence on housing policy since the 1994 political transition, that is, its neo-liberal economics housing policy, or steering policy towards market-driven processes in housing provision (Bond 2000:127). Following de Klerk's historic speech of February 1990, the Independent Development Trust (IDT) was formed in March 1990 and headed by former UF executive director JH Steyn, who recruited former colleagues from the UF. The treasury transferred a total of R3 billion to the IDT and it earned R1 million interest per day. Steyn also approached the private sector to create a parallel fund (Nuttall 1979:11-19). The IDT played an influential role in the structures that negotiated a transition from apartheid era housing policies. In 1991, after gaining assent, separately, from NP and ANC representatives, it launched a capital subsidy scheme whereby commercial developers were given the subsidy once a site was registered to a purchaser (Nuttall 1979:36-7). Most projects were in the Pretoria/ Witwatersrand/ Vereeniging (PWV) metropolis, Natal, and Eastern Cape, despite the IDT claims of avoiding an urban bias (Nuttall 1979:31). The IDT continued the UF approach of market forces leading Black low-income housing development and its products were criticised as amounting to the servicing of shack settlements --- or the provision of "toilets in the veld" (Tomlinson 1998:138; Bond 2000:129).

The NP government noted the continued dissatisfaction and appointed Joop de Loor to chair a Task Group to provide recommendations on a new housing policy and strategy. The NP government contended the de Loor (1992) proposals, released in April 1992, were linked to the launch of an inclusivist process in the establishment of the National Housing Forum (NHF) on 31 August 1992 (Rust 1996). IDT funds were exhausted in 1993 and the production of low-income housing projects ended. The reform initiatives and new space for black housing development initiatives left many questions about whether racial inequalities were being addressed. Between 1986 and 1992 the number, average value, and area size of houses built for whites increased, while contrastingly those for blacks and coloureds decreased (SAIRR 1993:21).

7.3.6 The World Bank and housing in SA

In the new political environment of overt negotiations between the NP and ANC, the World Bank attempted intervention into the local housing policy discourse. The International Monetary Fund and World Bank's orientation converged with the resurged conservative 'New Right' (see Mishra 1984) economic thought about market efficiency in realising social goods and aversion for social wage spending which increased national debt. This economic ideology shaped the social and housing policy of Margaret Thatcher's government of the 1970s and 1980s (see Means 1993 and Flynn 1989), a frontrunner and influential model of market provision of housing and other services, and the reduction of state provision of such while people were encouraged to supplement state provision.

The extent of the World Bank's influence on housing policy in SA appears negligible. Gilbert (2002) argues the UF conceptualised the site-and-service and capital subsidy schemes independently of World Bank advice. The World Bank's (1991) report on housing in SA advised a reduction in government commitment to housing processes. The report drew from principles contained in the UN endorsed Global Shelter Strategy of 1988. Reforming the housing sector was linked to stimulating the economy and its recovery. The priorities for policy reform and the facilitation of market based housing solutions entailed creating an "enabling framework" (World Bank 1991 Section I:5-6) where central government enables and facilitates sectors such as local government, individuals, businesses, and community based organisations to provide and maintain housing. The approach required action in three areas: stimulating the demand for housing, facilitating housing supply, and creating an institutional framework to manage the housing sector. Stimulating demand required that low-income households have improved access to housing finance, secure tenure, a subsidy system, and that there be a competitive housing delivery system. The report was sceptical about mass state provision of houses of a high standard as a means of kick-starting the economy, rather, a housing sector functioning in terms of its vision was vital to the deracialisation and growth of the economy (World Bank 1991 Section II:1).

7.3.7 The de Loor report on housing

Although the de Loor proposals converged with the market orientation of the World Bank, it is claimed (Lupton & Murphy 1995:157-8, 167) that in an unpublished report the UF criticised the De Loor proposals "for marginalizing the poor, being 'antagonistic' to the market approach and recommending an 'inappropriate role for the government" (also Bond & Tait 1997:19;& Tomlinson 1998:138). It does not explicitly refer to the notion of the right to adequate housing, but these divergences in the reform years of the NP are crucial developments that later shaped the formation of a discourse of realising housing rights through market-oriented solutions. Whatever criticisms there may have been of its proposals and its marginalisation of the poor, evidently the de Loor Report (1992:20-3) was sufficiently cognisant of the structural problems of the economy which produced unemployment and poverty.With hindsight, we observe that before the drafting of the Final Constitution, the proposals presaged minimalist state involvement in realising housing rights. Its terms of reference operated by the view that there be limited state involvement in dealing with the housing backlog, and that the state could not help all citizens:

> "1.4 the fact that it is financially impossible for the State to help all citizens to obtain housing;" (de Loor 1992:7)

Observing there was a variety of delivery systems the report concluded rationalisation was unnecessary as long as this was determined by market forces and the skills and experience of the people involved in different projects (de Loor 1992:206-7). When comparing the macro-economic effects of delivery systems, the report argued the housing sector should not be seen separately from the rest of the economy; it noted that public sector delivery of mass housing is sometimes cheaper, but this had negative macro-economic effects.

Thus, negotiations to restructure duplication of housing bodies, and to develop a new housing policy and strategy, proceeded where housing researchers were advocating the state comply with the dogma of markets and that "affordability should determine the choice of delivery systems in projects supported by the Government or Government-funded institutions." (de Loor 1992:294)

Notwithstanding, the Task Group mentioned aspects of a laudable vision of

formal structures as “adequate shelter” (de Loor 1992:v, 80, 92, 280):

> “A long-term housing vision to which all South Africans can aspire is seen as an essential part of housing policy in this country. It is therefore recommended that it be accepted as a long-term vision that all South Africans will eventually have at least a formal four-room house with bathroom, secure tenure, access to potable water, an energy source and refuse removal. As far as location is concerned, it is recommended that it should provide access to employment opportunities and other community facilities to ensure fully integrated and viable communities.” (de Loor 1992:280-1)

A market-oriented approach was contrary to decades of different experiences, expectations, and perceptions among different groups about housing. Whites acquired houses through private sector loans while blacks were accustomed to exclusion from private sector loans and state provision of houses:

> “The private sector was usually responsible for providing for the White sector through predominantly market-driven forces. The Black urban sector, in turn, was almost totally financed by Government intervention from the Central Government’s budget.”
>
> “... the above-mentioned factors contributed directly towards creating a socio-political attitude which assumes the private sector to be responsible for the White market and the Government for the Black market. The consequences of this attitude in the South African community was that financial institutions, for example, did not really accept that Black housing was part of the housing market. On the other hand, Blacks regarded housing as a purely social good and consequently as the responsibility of Government. Therefore Blacks did not care to invest in housing as such. This contributed towards perceived structures for housing delivery that are economically unattainable.” (de Loor 1992:65)

for Scientific and Industrial Research (CSIR) attempted to calculate the actual housing backlog. The investigation counted the number of informal settlements (houses and shacks) and households living in backyards; it calculated that 1, 331, 000 (1.3million) houses in total were needed in 1990 to meet the needs of all population groups: whites needed 1 000, Asians needed 3 000, coloureds needed 43 000, and Blacks needed 1 284 000 (de Loor 1992:82-5). The task group argued in 1992 for the construction of 198 000 houses per year to overcome the backlog in ten years and called for an increase in the national budget's housing allocation from 3 percent to 5 percent (SAIRR 1993:46). However, the urbanisation trends, particularly for Blacks, would actually disprove their calculations, and, the urban bias in the calculation ignored the need in the rural regions, especially the one-time "independent" homelands. The CSIR also offered a calculation for the backlog where the shortage was calculated by subtracting the number of formal housing units from the number of households. The calculation distinguishes between the shortage for higher income and lower income households. If the shortage is calculated on the basis of total figures, it would misleadingly present housing units for higher income groups as available for the lower income group. This understates the extent of the shortage. The figures take into consideration average annual population increase for each province. Updated CSIR figures for 1996 claimed an urban backlog of about 1.6 million and a national backlog of 1.9 million (RSA, Debates: Index 1996:1468).

7.3.8 The National Housing Forum

The IDT claimed the National Housing Forum was its own initiative, which it also funded (Nuttall 1997:107), but the inclusivist nature of the NHF drew into its structures and processes erstwhile opponents of the NP government, namely, civic associations, AZAPO, ANC, trade unions, as well as provincial and local authorities, banks, the private sector, and other interest groups, to formulate a national housing accord, once discussions began in November 1991. The body was to advise on housing policy up to an imminent political transition. Former UF persons developed technical committee reports (Jones & Datta 2000:399), and

it appears that the UF's "quantitative", "commodification" and "individualization" approach prevailed at the NHF (Huchzermeyer 2004:123). The eventual housing policy the NHF proposed to government resembled the UF and IDT's self-help, market-driven housing process. The NP withdrew in January 1992 from what it saw as pretensions to an interim government and forwarded the de Loor report for discussion at the forum (SAIRR 1993:213).

NHF discussions referred to a discourse of housing for all and a right to secure tenure but the positions of its participants were in obvious tension. COSATU clung to a view of housing as a fundamental right where a pre-eminent state role in its provision was necessary as housing should be determined by need and not the profit orientation type of arguments of other NHF participants (SAIRR 1993:214). Civics activists viewed shelter as a basic human right, articulated Marxist formulations in demands for goods and services as 'use-values', and demanded a de-emphasis of the production of goods and services by the free market (Mayekiso 1996:211). In July 1992 SANCO called for a moratorium of UF and IDT site-and service schemes because they did not meet community expectations of decent standards (Mayekiso 1996:247). Furthermore, civics also argued for the acquisition of land for low-income housing closer to city centres rather than on the outskirts where it was cheaper but in the long run would prove costly because of transport costs (SAIRR 1993:208). The UF's proposals entailed upgrading existing informal settlements. The UF's self-help housing, constrained state fiscal contributions to a meagre subsidy scheme, and site-and-service projects, prevailed as the dominant strategy for housing the poor at the NHF (Parnell & Hart 1997). It appears two factors swayed the imminent future ANC government in favour of the capital subsidy scheme and private sector approach. First, it was a means of avoiding loans from and debt to the World Bank, the outcomes of whose policies had seen many negative outcomes (Gilbert 2002:1925-6). Second, the fall of communist bloc regimes and their economic decline also meant disenchantment with their model of mass state provided housing schemes (Gilbert 2002:1921)

The turn to market driven housing delivery would prove contrary to the

expectations of poor black households hankering for some type of state mass housing system, which eventually allowed the occupants to purchase the house they rented, as one black person in Pretoria expressed the sentiment:

> "[W]e do not have the money for bond payments and it is our wish that the town council should build homes that we can rent and possibly buy over a period of years." (quoted in Pretorius & Minnaar 1994:81)

The UF's reflections on the NHF's outcomes are self-praising claims that their ideas about an "affordable capital subsidy" scheme as well as that of in-situ informal settlement upgrading remained influential and are key components of the new government's low-income housing strategy (UF 1994:2-4). The NHF paved the way for the rationalisation recommended by de Loor --- the termination of the plethora of housing departments for each race group and Bantustan. However, that task was overshadowed by the restructuring of government departments after the 1994 elections and Joe Slovo's appointment as the first post-apartheid Minister of Housing.

7.3.9 The marginalised discourses

Critics of the NHF argued it marginalised other discourses and strategies for low-income housing, and that housing choices for low-income households should be broadened and a greater diversity of housing needs accommodated (van Deventer 1994:9). Civics association activist Thozamile Botha and economist Raphael Kaplinsky (Centre for Development Studies 1990:11) earlier derided the idea of in-situ upgrading and its costs focused argument about merely installing services absent in squatter camps which overlooked the phenomenon of squatter camps as a protest against influx control.

COSATU remained critical of the dominant neo-liberal economic ideology and continued to appeal to Parliament in 1996 for a "state driven and market assisted" low-income housing process; it urged for a process where a parastatal

agency contracted private builders to build houses at a uniform cost of R40 000 each (Jones & Datta 2000:400). Civics activists (Mayekiso & de Vos 1994) spoke in terms of a "people centred and people driven" process with government as a facilitator that provided: serviced land, assistance with skills and planning, access to materials and subsidies to enable households to control the process of building their own homes on their own land. The SA Homeless People's Federation, formed in 1991, was made up of savings organisations among people in shack settlements; they proposed that government provide land and infrastructure free of charge and close to their work while banks provided loans at reduced interest rates (Jones & Datta 2000:400).

7.4 Giving life to the New Constitution's rights rhetoric: National Housing Policy, 1994 to 2004

The ANC's popularity may be due to many factors, such as its ability to accommodate an ideologically diverse membership and its rise to become the pre-eminent armed struggle organisation. One factor worth singling out is the following it garnered due to its main mobilising document, the *Freedom Charter*. Using rights language, the organisation promised to install a democratic government where there would be freedom of movement and an end to apartheid's denial of adequate housing to blacks:

> "There shall be houses, security and comfort!"
>
> "All people shall have the right to live where they choose, to be decently housed, and to bring up their families in comfort and security;"
>
> "Unused housing space to be made available to the people;" (Karis, Carter & Gerhart 1977:207)

Obvious optimism and incredible promises accompanied the 1994 elections; it was a given that the ANC would win by a clear majority. Reportedly, politicians

campaigned with claims that their policies would procure four-roomed houses for the electorate (Tomlinson 1998:139, 142). The ANC's policy framework for post-apartheid redress, the *Reconstruction and Development Programme* (RDP), contended that an ANC government would build 1 million houses for the poor in five years (ANC 1994:22). Makau wa Mutua (1997) notes the RDP was permeated with "rights" rhetoric, it was blindly optimistic about correcting the apartheid legacy, but it had not identified concrete measures and policies to that effect; it was far too "romantic" about its egalitarian goals, but steered clear of where the resources for such goals would come from, and the impact it may have on the stock-pile of white privilege.

The RDP (ANC 1994:22-23) spelled out ANC views of the origins of the housing problem in apartheid and capitalism, the extent of the backlog and its annual growth, and the optimistic elements of a new policy. It noted the conservative 1990 estimate of the backlog of 1.3 million units, the need to add 200 000 new households per annum, and the problem of no reliable calculation of the backlog in rural areas and bantustans. The envisaged housing programme expected to generate employment, skills and economic activity, and, importantly, secure peace and stability. Both the private sector and civil society were expected to be prominent in expanding housing delivery and financing capacity. Simultaneously, the housing programme would stimulate the development of black-owned small, medium-sized, and micro-enterprises involved in housing delivery.

Before the RDP promise was launched through the policies of a new government, it had to undergo passage of a Green, then a White Paper stage, thereafter, it could filter into new housing legislation. A reconstituted National Department of Housing became central to developing a legislative framework for the realisation of the right to housing (Human Rights Commission 1998:174). It first amended pre-existing housing legislation, keeping in mind an imminent revamping of the overall housing legislative framework (Cohen 1995:138-9). The Housing Department later worked on legislation like the *Housing Act of 1997 (Act 107 of 1997)*, the *Housing Consumer Protection Measures Act of 1998 (Act 95 of 1998)*, and the *Prevention of Illegal Eviction from and Unlawful Occupation of*

Land Act of 1998 (Act 19 of 1998). The preambles of the *Housing Act of 1997* and *the Prevention of Illegal Eviction Act of 1998* clearly indicate the Constitution's overarching principles on these rights, that is, everyone had the right of access to adequate housing, thus the state must take measures towards the realisation of the right, and, the apartheid era *Prevention of Illegal Squatting Act of 1951* be replaced by an act prohibiting arbitrary deprivation of property while also recognising the rights of property owners to apply for evictions.

From the outset of the new housing policymaking environment, it appeared that civil society involvement was valued. The NHF helped organise the National Housing Summit on 27 October 1994, where government, civil society, private sector developers and financial sector delegates signed an accord on how to move forward with the housing question (Cohen 1995:132). Surprisingly, although de Loor (1992:65) just a few years earlier reported that there was a sense of black dependency on the state for housing provision, the accord signatories still placed on poor blacks the responsibility of making significant contributions to acquiring a home, as is apparent in the accord's undertakings:

> "The homeless, who pledged to continue meeting their own housing needs, using their limited resources, initiatives and collective strengths." (Cohen 1995:132)

Despite the urgency of the housing crisis, and the RDP's recognition of how the backlog was growing each year, the summit delegates agreed to a gradualist approach to dealing with housing, as well as a framework of self-help and government support (Cohen 1995:133). The accord provided inputs into the basis of new housing legislation, the *White Paper on a New Housing Policy and Strategy*, which was released for public comment in December 1994. The *Housing White Paper's* ambitious vision of an increased allocation of five percent of the state budget to housing anticipated eradicating the backlog in ten years. The *Housing White Paper* acknowledged that macro-economic trends had implications for a housing policy seeking to eradicate the backlog in ten years: there was a decline in Gross Domestic Product; the skewed distribution of income impacted the demand for housing by the low-income sector (the paper

projected figures for 1995 where 68.7 percent or 5.7 million households earn below R1, 500 per month); high unemployment levels impacted demand for housing and investment in the housing sector; the fiscal deficit had increased to 8 percent despite the government's effort to keep it at around 3 percent of GDP, meant that meeting the target of 1, 000, 000 houses in five years would increase the fiscal deficit, and signaled a reluctance to increase social spending on housing. Government structures would play an enabling role, but the *Housing White Paper's* discourse was not about the state providing mass housing. Rather, "attracting the necessary private investment", "mobilising higher levels of investment from the private sector", and housing "provided within a normalised market", was crucial to the policy. The inflation rate for the preceding 20 years was quite high and the rate of inflation in construction and building materials exceeded the consumer price index. In addition, a legacy of other institutional and resources factors impacted the development of new housing policy, one of these was the availability of land (RSA 1994a). It spoke a discourse of fiscal constraint to manage sociological factors, such as the high expectations of the people, and a culture of non-payment for services:

> "... the high expectations of many people from a new democratic order have to be tempered by fiscal and practical realism, if this is not to become a major constraint to housing development in South Africa;"
>
> ...
>
> "… non-payment for services constrains the long-term viability of the public environment and sustained housing production, as well as limiting the amount of resources available for new housing provision. Linked to the breakdown in law and order and the due process of civil and criminal law in many areas, private housing finance has effectively withdrawn from large sectors of South African Society;" (RSA 1994a).

Noting that economic factors like declining per capita incomes and a very high uneven distribution of wealth would act against an increase in demand and supply of housing, the *White Paper* discourse asserted that the new

"sustainable" housing programme must be focused around "affordability' in the sense that State fiscal resources are limited, especially since other service delivery areas such as health, water and education competed for limited fiscal resources. Given the required annual delivery rate of 338, 000 units per annum, the fact that between 45 to 55 percent of households requiring housing were entirely dependent on State resources for housing, and the current housing allocation was one percent of the total national budget, the *White Paper* argued the State did not have the resources to construct a minimum complete house, rather, only a limited State subsidy contribution towards the cost of a house was possible, and it was to move beyond the preceding site-and-service approach. The capital subsidy approach was structured in terms of a "width over depth" strategy that would give proportionately more to the lowest incomes households.

These circumstances, together with the type of rights culture that emerged, also contributed to problems in post-apartheid housing processes distinguished as the entitlement (loss of control) and empowerment (freedom of choice) approaches. The mixture of exclusion of blacks by housing finance institutions during apartheid and their dependence on the state was compounded by an "entitlement" approach to housing Laburn-Peart (1994) defines as relinquishing control over an aspect of one's life, thus transferring responsibility, decision-making, and action to others, while becoming a mere recipient of the process.

In addition to people's resignation to an entitlement process, there was the marginalisation of civil society organisations by the new political elite. Rein & Schön (1993:145, 157) talk of the marginalisation of some social agents from the policy discourse, but in the South African case civil society involvement in the policy-making process diminished because of the implosion of key civil society organisations, such as the South African National Civics Organisation (SANCO). In democratic transition theory, this marginalisation is argued to be a consequence of elite pacts that cling to neo-liberal principles and are forced to marginalise from the policy-making many civil society forces whose actions precipitated a negotiated transition (see O'Donnell & Schmitter 1986). Ginsburg (1996:78) elaborates on this as the "demobilization" of organisations with radical

visions of democracy in order to ensure a weakened democracy functions within the parameters of the institutions installed by the negotiating elites. There are divergent views on the involvement of civil society in the unfolding post-apartheid housing policy; the *Housing White Paper* acknowledged the input of the NHF where civil society groups participated. For some, the subsequent *Housing Act of 1997* is argued to have been a product of consultation, negotiation and deliberation with other role players, and, one of the key lines of thinking that emerged, is the principle of housing as a right (ANC 1994:23; Bond 2000:247-250; Indicator SA 2000:32). However, it is also argued that SANCO, the foremost civil society organisation that battled the apartheid regime's housing and service delivery policies as well as the banks during the 1980s and early 1990s, was progressively being sidelined from involvement in aspects of the unfolding housing policy agreements between the new government and the banks (Gumede 1996; Seekings 2000a; Zuern 2004). Mzwanele Mayekiso, an organiser in both the Alexandra Civic Organisation and SANCO, depicted this environment in which the civics, who hankered for the RDP's vision, were being marginalised by the ANC government, banks, housing developers, and Urban Foundation housing development consultants thus:

> "An even more disturbing problem arose in the area of housing policy. Unfortunately, the new government did not immediately follow the housing policy guidelines of the RDP, and instead endorsed a compromise "incremental housing" policy that fell far short of SANCO's suggestions and the RDP promises." (Mzwanele Mayekiso 1996:277)

The ANC's recruitment of trade union and civic organisation activists (Mayekiso 1996:227) from the mid-1990s to various levels of government positions weakened SANCO through the loss of many crucial organising members. SANCO also was pressured to acquiesce to the ANC government and could no longer mobilise bond repayment boycotts. Because the ANC government's approach saw these boycotts in isolation from other social and economic factors, such as the increase in poverty and unemployment levels, it amounted to a "blaming the victims" syndrome. SANCO's decline to this "appendage" type of

relationship with the government left space open for other civil society groups to emerge, several of which were drawn to an "adversarial" (Habib 2003) approach to the government's housing policy.

The eventual housing act gazetted in mid-December 1997, the *Housing Act, 107 of 1997*, promises to realise the Constitutionally enshrined right to housing:

> "26. (1) Everyone has the right to have access to adequate housing.
>
> (2) The state must take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of this right.
>
> (3) No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions." (RSA 1996).

Black people's experience of forced removals under apartheid made it necessary for the negotiating parties to debate whether a clause about "the right not to be evicted from one's home" should be included in the new constitution (Spitz & Chaskalson 2000:327). It was very surprising that both the Democratic Party (DP) and the SACP opposed the inclusion of such a clause. For the DP it was because they felt such a clause would deter private sector investment in housing projects for low-income groups; it would deter financial institutions from giving loans to lower-income applicants; it would invade the right to property because it meant it would be unlawful to evict tenants if no alternative accommodation was available. After much wrangling between party delegates on the inclusion of such a clause, the SACP later argued on similar lines as the DP that the inclusion of a clause against evictions would deter private sector involvement in mass housing projects (Spitz & Chaskalson 2000:327-9).

The overarching post-apartheid housing act reiterates principles of the Constitution and speaks of housing in terms of "adequate shelter" to fulfill a basic human need. There is no specific elaboration of the standards set of what type

of shelter would meet such a need. Furthermore, although the legislation sees housing as a basic need, it is still interrelated with national economic development, it is not stated as a priority in terms of the allocation of resources, but is dependent on the state's economic development planning. The legislation acknowledges the right to housing as its basis, which is to facilitate a sustainable development process, or, simply, the development of a national housing policy, as stated in *s* 1(xi) and *s* 3(2)(a). Given the concerns with the increased social class inequalities and the capacity of poorer classes to realise the right to housing, it should be noted that the principles of the development of a housing policy urge the different tiers of government to "give priority to the needs of the poor in respect of housing development ..." (RSA 1997)

The *Housing White Paper* recognised the shortage of land as a problem inhibiting housing development programmes and the *Housing Act's* terms include extreme measures to deal with this, namely, expropriation of privately owned land as stated in clauses at section nine:

> "(3)(a) A municipality may by notice in the *Provincial Gazette* expropriate any land required by it for the purposes of housing development in terms of any national housing programme, if -
> (i) it is unable to purchase the land on reasonable terms through negotiation with the owner thereof;
> (ii) it has obtained the permission of the MEC to expropriate such land before the notice of expropriation is published in the *Provincial Gazette*; and
> (iii) such notice of expropriation is published within six months of the date on which the permission of the MEC was granted." (RSA 1997)

While still in the early stages of the development of housing policy it was acknowledged that an 'interventionist' state role was necessary to help many people realise the right to housing. CSIR research pointed out that households in need of housing represent among the most dire households. Of those in need, about 78.5 percent of households were earning less than R1 500 per month,

making them very dependent on state assistance to acquire housing (Fast Facts no.12 1994:2); the *Housing White Paper* calculated 68.7 percent of households would be earning below R1,500 in 1995 (RSA 1994a). The banking sector, for instance, First National Bank, also reported that households earning below R1, 500 per month would be unlikely to afford home loans (Fast Facts no.12 1994:2). Regardless of the preferred statistic, these conditions place greater responsibility on the state in terms of delivery because the ability of any household to afford housing is related to household income and the cost of housing, as well as the ability of the state to grant subsidies. The CSIR and the ANC attempted to estimate the costs of provision; they reported that delivery of one million government subsidised houses over five years from 1994 to 1999 would cost R11.598 billion (Department of Housing 1995:47). The state's enhanced role appeared even more urgent given the banking sector shunned the lower income households earning less than R3, 500 per month as "too risky" (Jenvey 2001) --- a position that is bound to affect, for a long time, the lower income group's capacity to improve or make extensions to government subsidised structures, and to improve the adequacy of these structures.

Sankie-Mthembi Mahanyele succeeded the deceased Joe Slovo and became the second post-apartheid Housing Minister. Her budget speech of 1996 revealed a growing commitment to getting private sector involvement in housing, and contempt for a culture of non-payment which deterred the private sector from low-income housing (an important aspect of the "market discipline" of neo-liberal globalisation):

> "For mass housing to take place, conditions conducive to investment must be created and maintained, and this rests - fundamentally - on the honouring of legal contract, of services being provided, and of goods being paid for."
>
> ...
>
> "No payment equals no houses - this is true for the nation as it is for the individual." (Mthembi-Mahanyele 1996).

The turn of events where brakes are put on an increase in the state's role is contrary to many other expectations. Arguably, there has been a general counter current to the role of the state in the realisation of 'positive' rights. Increasingly, the dominant trend in the broad reconstruction, growth, and redistribution debate, marginalised the role of the state in favour of market-led solutions, and increased disappointment and criticism by those still seeking solutions within the framework of a reformed capitalism. Terreblanche (2002:60) argues that until power and property relations are fundamentally restructured the state will have to play a prominent role on behalf of the marginalised and poor, but the dominant media discourse praises unfettered markets and scolds voices that argue for corrective state intervention.

Minimising state obligations contributes to making the realisation of constitutionally guaranteed socio-economic rights, and the right to housing in particular, still heavily contested terrain. Laudable advances have been made in the political transformation towards universal franchise rights, formal recognition of socio-economic rights in the Constitution, and unfolding policy and legislation intent on the realisation of those rights. However, these political gains are part of a whole social system constrained by the circumstances of the economy's legacy of three decades of decline and transformational challenges. Terreblanche (2002:420) claims analysts give great attention to the political transformations since the 1970s and neglect its interaction with the economy which is pertinent to the prospects of post 1994 political transformations too.

The next section gives greater attention to economic forces interacting with and constraining rights culture because, in the overall context of the state's capacities for social spending, there appear to be positive developments. However, when we observe decisions not to increase social spending, the actual policy choices only enhance a "sense of puzzlement" similar to Arturo Escobar's (1995:ii) in his study of development discourse which noted, despite a plethora of development programmes, people's conditions in underdeveloped countries continued to deteriorate. Critics (Terreblanche 2002:436) see the surplus the SA state acquired through improved tax collection between 2001-3 as a capacity to

increase social spending, but state policies benefited better off classes by reimbursing relatively wealthy taxpayers.

Housing is the one area of social spending where such surpluses could be spent, but ten years after the political transition and in the time when Lindiwe Sisulu (succeeding Bridget Mabandla) had become the fourth post-apartheid housing minister, housing shortage problems appear to be worsening: the backlog had increased, a sign that housing will remain an insurmountable problem in the next ten years, having dubious consequences for many regarding the type of shelter the poor and homeless will have to acquiesce to when politicians speak of formalising and upgrading squatter camps:

> "It is estimated that about 1,1-million people live in informal settlements. This despite the fact that government has built 1,6-million low cost-houses for the poor in the past 10 years."
>
> "Housing Minister Lindiwe Sisulu says eradicating informal settlements could take the form of either upgrading them or turning them into formal settlements."
>
> "Gauteng housing MEC Nomvula Mokonyane says 10 years is a 'reachable' deadline."
>
> "Explaining how this is to be accomplished, Mokonyane says her department has already identified informal settlements that could be formalised into townships." (Wilson & Marrs 2004)

Housing Minister, Lindiwe Sisulu, at the onset of the next ten years of post-apartheid housing for the poor, acknowledged a hierarchy of "hardcore poor" and "poor", and announced this would influence the proportional subsidisation scheme her administration was working on (News24 02-09-04). The subsidy given to the lowest income households would have a higher percentage increase, while the subsidy given to households in slightly higher income brackets, would also increase but not at a percentage as high as that for the

lowest income households. She was cognisant of the challenge seeing that by now 2.4 million households lived in shacks, although only 800 000 households were on the waiting list for government subsidies, and the remaining 1.6 million households appeared to have no option of ever moving into a proper home. Nevertheless, she insists that she is hard set on pushing a program of eradicating slums in ten years or by 2015. Sisulu, echoing the ideas of Agnew (1981a:74-5, 80) and Saunders and Williams (1988:84) about housing as an asset, hopes this new approach would create a culture where occupants see a house as an asset and may want to profitably resell their houses after a number of years. She said her ambitious plan to eradicate slums by 2015 does not leave her sleepless at night (Merten 2005).

In 2004, Housing Minister Sisulu initiated an important shift in the discourse about adequate housing. The *Housing White Paper* spoke of a housing programme with a goal of "creating viable communities". Post-apartheid housing projects, Hucherzermeyer (2003a, 2003b) argues, occurred on land the National Party purchased in the 1980s to construct segregated townships, and have continued race-based, then class-based, segregation patterns. Sisulu's adoption of the "*Breaking New Ground*" (BNG) strategy planned for "sustainable human settlements" and combating poverty by achieving the integration of urban areas and ending economic exclusion (Department of Housing 2004a). BNG observed that hitherto low cost housing was hampered by a "lack of affordable well located land"; many projects were on the urban periphery and "achieved limited integration" --- the "apartheid space economy" persisted. BNG intends to overcome poverty by linking housing ownership to alleviating asset poverty, which entails badly located, low quality dwellings. To affect the plan, besides the use of state-owned land, private land would be purchased and expropriated if necessary. A new approach was adopted for the phased eradication of informal settlements through in-situ upgrading, thereby stabilising and integrating these areas into urban life. Another area BNG sought to address was the subisidised housing's urban bias by increasing focus on rural housing issues. With regard to in-situ upgrading of informal settlements, Huchzermeyer (2009) argues that, contrarily, there appears to be more earnest intent to totally remove ("eradicate")

them, as is evident in KwaZulu Natal. However, Abahlali baseMjondolo (ABM) has opposed the evictions from an informal settlement under new legislation adopted by the KwaZulu Natal legislature; AbM has used the rights language of the Constitutional right to housing, the Housing Act of 1997 and the PIE Act of 1998 to oppose the evictions through the High Court.

7.5 Economic forces shaping post-apartheid housing policy

Frederik van Zyl Slabbert (1992:63-70, 76) notes that transitions entail the democratisation of: the political system, the institutional make-up of the economy, the process of using the budget to meet redistributive ends, as well as balancing contending priorities about whether economic arrangements should be about growth and stability or redistribution and participation. While political parties negotiated the mechanics of the political transition, economists debated economic policies to ensure income redistribution necessary to achieve a stable and democratic society (Moll 1991:vii).The alternatives were termed as: “growth through inequality”, where there was significant increase in economic growth indicators but in class inequality as well; “redistribution with growth”, which entailed improvements in the living standards of the poor; “growth with equity”, which emphasised the latter goals but with economic growth too; and “growth through redistribution”, entailing redistribution measures first, followed by expected growth trends, later (Kaplinsky 1991). The choice of a post-apartheid economic system and realising imperatives of redistribution and economic growth was expected to be an eclectic approach that drew from socialist experiments in the Third World and the Soviet bloc, from capitalist orientations in the developed industrial nations, and from European welfare state economies; practices of market-led production combined with state intervention were to be adapted to effect growth and redistribution in a model that accommodated local political and social interests (Moll 1991a:1, 57-70).

The overarching economic framework in which housing policy and rights are to be realised proves to be constraining and controversial. Understanding the discourse about housing rights must consider the interrelationship between that

discourse and issues about the economy, the antagonistic relations between political groups and social classes, and the ideological forces and communication of competing positions about state intervention in the economy versus free markets. Any interventions aimed at procuring reforms of housing policy must address the overarching macro-economic policy and government's approach to social spending. Rein and Schön (1993:154) argue an insightful point for understanding the historical context of post-apartheid economic policy gravitating towards a globally hegemonic neo-liberal economic discourse:

> "The framing of a policy issue always takes place within a nested context. Policy issues tend to arise in connection with governmental programs, which exist in some policy environment, which is part of some broader political and economic setting, which is located, in turn, within a historical era."

Various researchers (Bond 2000:18-52; Lodge 2002:54; Marais 2001:21-22, 33, 37-56, 100-116;Terreblanche 2002:297-370) acknowledge the ANC's ascension to power in the context of an economy handicapped by symptoms of a structural crisis lingering since the early 1970s and worsened by international economic isolation, and it would have to restructure the economy while re-integrating into the international economy in a context of the global triumph of neo-liberal economic policies. In the mid-1970s, big business corporations and other organised business associations, were already cognisant of the pressures changing the economy to a capital-intensive, high-wage, high-productivity accumulation strategy, and were adapting their respective firms accordingly (Saul & Gelb 1981:27). An accretion of factors were the most prominent symptoms of the crisis, these included: increasing black resistance to the cheap labour system since the early 1970s; episodic labour unrest linked to community political struggles; declining productivity in the reserve areas, which threatened the basis of the cheap migrant labour system; the inflation rate fueled black protest, decreased manufacturing output and earnings from mineral exports, and decreased foreign exchange reserves; international economic sanctions hindered the replacement of machinery and spare parts. All the things which kept together the apartheid accumulation strategy were falling apart. To some

extent, the euphoria of the political transition overshadowed pressures to restructure a post-apartheid accumulation strategy.

The political setting of SA's elite-pact has certainly been affected by the present era of globalised capitalism and the hegemonic shift towards neo-liberal economic policies which forced the decline of welfare state social spending. These forces are key threads in the weaving of post-apartheid housing policy, the extent of state involvement through subsidies and the standards of the housing products produced for the poor and low-income households to realise their right of access to adequate housing. The different theories of the globalisation phenomenon analyse different issues, namely: the technologies that make globalisation possible, the indicators of the increasing integration of the world economy, the operation of the world economy as though it were one single market, the triumph of *laissez faire* ideology and policies, and World Bank and IMF pressure on states to reform their economic policies in line with neo-liberal thinking (Perraton et al 1997; Tabb 1997; Williamson 1998). One argument of the globalisation phenomenon is about state's declining autonomy in economic policy-making; states are pressured to withdraw from the delivery of services and facilitate private sector provision of these through market processes. The World Bank is a central agent prodding states towards such policies (Teeple 1995).

7.5.1 Economic policy beginnings with the RDP

The RDP popularised a "people-centred" program of social and economic redress while a logjam of economic structural problems persisted. The attention given to the role of the state and importance attached to employment creation suggested the influence of a Keynesian economic policy paradigm whereby growth, development, reconstruction and redistribution were facilitated by government's leading role in a mixed economy (Adelzadeh 1996:66; le Roux 1997). In this paradigm, growth and development are the products of a policy emphasising reconstruction and redistribution. The economy's performance is

crucial to the state's acquisition of social spending resources; the RDP acknowledged: demand for raw material and mineral exports central to the apartheid economy did not guarantee a significant income in a global economy with pressures for free trade and competition in manufactured goods; demand for such goods stagnated; and, domestic manufacturers faced international competition in the production of manufactured goods (ANC 1994:10).

The RDP signaled significant shifts in ANC economic thought beyond the hostility notable leadership figures espoused towards free-market/capitalist ideologies and the class inequality it produced. Interpretations of the *Freedom Charter* (Hudson 1988:260; Karis, Carter & Gerhart 1977:63; Riordan 1988) clauses about sharing and restoring wealth, ownership of resources by the people, and control of industries, claimed it spoke of nationalisation of economic assets, but for Mandela (Johns & Davis 1991:126) the envisaged nationalisation would be within the context of capitalism. Much sympathy was shown towards Keynesian ideas about a key role for the state in post-apartheid reconstruction and development (Lazar 1996:613-4). For some time, nationalisation was seen as a panacea for the legacy of economic injustices; such thinking was probably in line with the impressive redistributive gains of the social democratic policies of labour and socialist governments in the United Kingdom and Western Europe in the 1940s and 1950s (Hirsch 2005:33-4). In the early 1990s, discussion of a post-apartheid economy in the main ANC policy journal, *Sechaba* (Sogoni 1990:13), still spoke of nationalisation. It became apparent to Mandela and his advisors that economic reconstruction entailed charming international investors and talk of nationalisation and socialist rhetoric was dropped from his speeches (Hirsch 2005:29-30). As early as 1986 leading white businessmen, such as Gavin Relly of Anglo American Corporation, acceded to the notion of a 'mixed economy' where state intervention and direction to the economy addressed economic inequalities (Hirsch 2005:43). Later in the 1990s, Nelson Mandela's speeches (Hirsch 2005:31) and ANC and COSATU economic policy formulators converged with the 'mixed economy' notion where a non-racial state led the reconstruction of the economy to facilitate its developmental objectives (Sechaba 1990:18), as well as where some type of constructive relationship between

people, the state, trade unions, the private sector and market, was expected. Against the backdrop of fears of white flight, of opposition from business, political parties and investors, and of international events like the fall of the Soviet bloc, the RDP stated that neither a centrally planned nor an unfettered free market economy provided solutions to SA's problems. Reconstruction, development and sustainable growth would be achieved through a combination of the leading and enabling role of the state, a thriving private sector, and involvement of all sectors of civil society (ANC 1994).

The ANC expected a complementarity of outcomes, between an expanded public sector and private sector operations to alleviate poverty and restructure the economy. We can see how this was expected to occur with regard to delivering houses to the poorest: private companies would work closely with government to build these and assist the poor to buy them (Lodge 2002:55). Lazar (1996:620) contends the document's position that government was "ultimately responsible for ensuring that housing is provided to all" was a residue of strong state interventionist thinking on housing delivery.

However, once in power, the ANC leadership drifted away from the state interventionist paradigm, when it released *The RDP White Paper*, an initial step to passing a parliamentary act to shape actual policy. Adelzadeh (1996:66-7) argues the *White Paper* departed from the Keynesian approach and redistribution objectives of the RDP, instead it emphasised the World Bank and NP's fiscal prudence neo-liberal paradigm, and the role of government in the economy was reduced to managing the transformation. The *White Paper's* Preamble is consistent with the prescriptions of neo-liberal principles --- it makes a commitment to reducing government spending on salaries. The *White Paper* section on economic policy still spoke the language of an "enabling state", as well as opening the economy to international competitiveness, and spending more on capital investment and decreasing consumption spending. It recognised the problem of a decline in net domestic saving and investment.

Other than framing ideological and institutional shifts governing the RDP, once implemented by the ANC as a government, the RDP must be judged in terms of its capacity to provide houses, jobs, safe water, health-care, nutrition, relevant education, and safety and security to citizens. Between 1994-1996, the RDP fund controlled R15.5 billion, but many political leaders were soon convinced that it was not the optimal approach to solving SA's problems (Bond & Khosa 1999:61-2). The RDP discourse of "mass-participation" rejected the "delivery from on high approach". Over its first three years government, the ANC faced criticisms of non-delivery. Criticism was targeted at the promise to deliver one-million houses in the first five years. Observations that the RDP Office in the Cabinet was closed on 28 March 1997 fueled gossip that the RDP was "dead", and, along with it, the "people-driven" process. The ANC replied it was shifting its macro-economic policy in a way to make the RDP sustainable. Minister of Finance, Trevor Manuel, responded in Parliament that although the separate RDP allocation had fallen away, the government's view was the budget as a whole was now directed towards the RDP goals and a separate allocation was unnecessary (RSA, Debates: Index 1996:1760). Despite criticisms, towards the end of the first term of a post-apartheid government, Lodge (2002:57) points to the "impressive" achievements by government, in a short space of time, on delivery of housing, clean water, electrification, land reform, primary health care, and public works. More specific details on achievements housing the poor compared to the apartheid government were as follows:

> "Housing: By December 2000, altogether 1 129 612 cheap houses eligible for government subsidy had been built since the 1994 elections, accommodating 5 million of an estimated 12.5 million people who were without proper housing. Approximately 232 000 of those houses were upgraded shacks in informal settlements. The pace of housing construction peaked in 1997. According to the minister, Mhthembi-Mahanyele, more exacting quality control had brought this annual total down to 200 000. In six years the government had spent a total of R40 billion on housing. In fiscal terms, government commitment to housing slackened after 1996; in that year, some 3,4 per cent of the national budget was spent

> on housing, whereas by 1999/2000 this proportion had diminished to 1.4 per cent." (Lodge 2002:57)

Alternative critical assessments identified problems with the RDP: the government's allocation to housing was only about 1.5 percent of the national budget; key role players, such as banks, were not eager to extend loans to subsidy recipients to make "top up" improvements and extensions to their basic houses; contractors were not matching the expected housing standards; there remained confusion as to how many houses were actually delivered; the Constitution protected property rights, thus restricting peri-urban land acquisition for low-income housing projects as well as pushing for such projects; and it was pushing such projects away from the cities (Bond & Khosa 1999:10-13).

7.5.2 The shift to GEAR

In 1995 the ANC contended that the economy's growth rate at about 3 percent would not allow government to deliver on RDP promises (ANC 1997). This contextual factor abetted the struggle elite's drift from state interventionism to a convergence with the old white elite's own drift to neo-liberal policies. President Mandela's opening of parliament address in 1996 acknowledged modest economic growth and little job creation (Mandela 1996). He called on a "new patriotism" to accept the challenges of structural changes to the economy, and stated that neo-liberal ideas about achieving international competitiveness influenced new macro-economic policy directions:

> "... we need investment and restructuring of manufacturing and other industries such as tourism, agriculture and mining, which are critical for export and foreign exchange earnings."
>
> ...
>
> "It is critical, if we have to promote competitiveness, export and the creation of jobs, that we should have in place the necessary supply-side measures." (Mandela 1996)

In Parliament, the ANC government announced its new macro-economic policy framework, *Growth, Employment and Redistribution: a Macroeconomic Strategy* (GEAR), which the ANC elite leadership claimed was still intended to realise RDP objectives (Mandela 1996a). Adopting GEAR in June 1996 was a dramatic change of economic policy and promises of eventual redress. Effectively, the ANC's elite leadership followed the advice of big business sector think-tanks and elite beneficiaries of black economic empowerment ventures, and converged with the principles of NP's reform period neo-liberal paradigm evident in *The Key Issues in the Normative Economic Model* of 1993, as well as a document by the Macro-Economic Research Group which advised against state spending, and models developed by big business associations, the Development Bank of SA, the Bureau of Economic Research, the World Bank, and the SA Reserve Bank (Adelzadeh 1996:66-8; Marais 2001:160-3). Furthermore, the ANC government inherited a state bureaucracy still heavily staffed by NP appointees who played a central role in formulating economic policy closely resembling that of the NP (Michie & Padayachee 1997:12). Carmody (2002:255-9, 264-5) says the ANC was not prompted by external institutions to comply with the principles of neo-liberal economic globalisation, but felt they could negotiate a beneficial interaction with this hegemonic economic trend. The policy was secretively drafted, and its faith in free-market solutions prompted criticisms from the ANC's trade unionist and communist allies (Marais 2001:161-2). Mandela's address to the ANC National Conference in December 1997 was a 'hyper-globalisationist perspective' (see Hoogvelt 2001:120) about the erosion of state autonomy in policy-making:

> "... we have to succeed in our objectives in the context of an accelerated process of globalisation which is leading to greater integration of the nations of the world, the limitation of the sovereignty of states and the enhancement of the disparities between the rich and the poor." (Mandela 1997)

Official statements at the 1997 ANC policy conference presented analyses of globalisation challenges, the limitations of available resources, and how these influenced government's shift in economic policy while it simultaneously

struggled for the regulation of the system in order to promote development and equity. The dangers of accepting globalisation were recognised though the statements also proclaimed the shift to GEAR would reinforce an environment for achieving the RDP's goals (ANC 1997b).

Mandela (1998) opened Parliament in February 1998 speaking of the difficulties delivering social services in a context where government also adopted policies aimed at reducing public debt, privatising state enterprises, and concluded free trade agreements with international trading partners. More specifically on the issue of housing allocations in the budget, Mandela ruled out increases so as to stretch available resources to a wider net of beneficiaries. Although seeking to reduce public debt may entail avoiding housing development loans from institutions such as the World Bank, the government's housing budget strategy mirrors World Bank prescriptions to reduce state spending on mass low-income housing and to encourage, enable and develop private sector financing of such housing (see World Bank 1993:117-27 and Jones & Datta 2000:401-6). The above type of statements about globalisation forces, such as the integration of capital markets in the contemporary world, the diminished autonomy of national government's on economic policy making, the conversion of policies in ways which entail minimising the role of the state in the economy, vindicate critical examinations of ANC economic policy claims the leadership elite's economic policy-making followed prescriptions of hegemonic neo-liberal economic globalisation thinking (see Marais 2000:161).

The GEAR document recognised the population was growing faster than the economy's growth rate (GDP grew by 1.3 percent in 1993, 2.7 percent in 1994, and 3.5 percent in 1995), and the unemployment rate at GEAR's inception was between 38 to 40 percent (ANC 1997:6, 10). Emphasis was placed on "a competitive fast-growing economy which creates sufficient jobs for all workseekers", thereby achieving "a redistribution of income and opportunities in favour of the poor" (ANC 1996). GEAR shifted to an export oriented economy that attracted investment and created jobs as a means of effecting redistribution (ANC 1997:16). The lofty expectations of GEAR's policy package were: an

average growth rate increase of 4.2 percent for four years, then by 6 percent by 2000; creating 1.35 million jobs or 400 000 jobs per annum by 2000; increasing exports by an average of 8.4 percent per annum, and improving infrastructure (ANC 1996:2; Marais 1996:31). GEAR promised a shift away from reliance on raw materials exports by promoting exports of manufactured goods and an end to tariff protection of local industries, thus forcing them into restructuring for international competitiveness (ANC 1996:Appendix 1). GEAR's plan to put the economy into a new growth path through restructuring industries and increasing their openness to international competitiveness was expected to have long term benefits of increasing employment opportunities, and with some later redistribution gains through wages (ANC 1996:Appendix 1). Housing projects were expected to create considerable employment, but it was recognised that the sector needed refinements to its policy framework:

> "The implementation of the housing and infrastructure programmes has been slow, with continuous refinements to the policy framework. Since late 1995, an acceleration in housing delivery has been evident. A continuation of this trend will see the provision of housing and related services on a substantial scale. This will have several beneficial effects. Construction is largely labour intensive and provides jobs and training, while improvements in housing and infrastructure enhance the productivity of labour and the quality of urban life." (ANC 1996)

7.5.3 GEAR's breakdown

Right at the onset, GEAR was criticised for flawed projected increases in employment and economic growth levels, and because it privileged growth first and redistribution later. One year after GEAR's adoption, Liebenberg (1997:50) identified the following core concerns: the embrace of neo-liberalism and failure to integrate RDP objectives; it was a trickle down approach aimed at attracting investment; the policy was expected to fail in transforming apartheid's economic legacy and achieving an equitable distribution of income and wealth.

Ten years after the 1994 elections, opinion-makers in newspapers made moral objections about disturbing consequences of economic policy noting that redistribution in favour of society's really destitute did not occur. Critics have dubbed GEAR as "trickle down" economics (see Terreblanche 2002) in view of the redistribution imperatives of a post-apartheid economic policy and the belief that after a period of some sustained economic growth redistribution would eventually "trickle down". One newspaper opinion-maker (du Preez 2004) concludes in bold terms that "wealth doesn't trickle down". What is observed of the consequences of economic policy is that a small number of black individuals have risen into the ranks of the country's super rich, or "filthy rich" as Minister Mlambo-Ngcuka unashamedly advocated. Consistent with Mandela's interpretation of some *Freedom Charter* goals (Johns & Davis 1991:126), it is apparent that a small minority of black people have come to own productive capital, but, while there are formal social and economic plans for the upliftment of the poor, their circumstances pale in comparison to the newly enriched blacks. This situation prompts moralistic opinions and perhaps "egalitarian-socialist" kinds of objections (Adam, van Zyl Slabbert, Moodley 1997:201-2), that much of that recent conspicuous skewed accumulation of wealth, like in instances where black business managers secure multimillion rand payouts, could be diverted to assisting the weaker segments of society by constructing large numbers of houses for the homeless (du Preez 2004).

Critics (Terreblanche 2002:424-439) discerned contentious premises in GEAR that the economy had potential to grow to 6 then 12 percent per annum and end its dualistic character of a white-controlled modern sector and Black underdeveloped sector. Ten years of hindsight reveal low economic growth rate and increased unemployment in the modern and agricultural sectors of the economy, and, generally, most seriously affecting the potential Black labour force. Both the Treasury Department and the IMF acknowledged in 2007 that the economy was unlikely to reach the 6 percent growth rate targeted for 2010 and beyond (Isa 2007). The IMF predicted the growth rate will persist at 4.8 percent up to 2012, while the Treasury Department revised its projections to a 5.1 percent growth rate.

Domestic and foreign investment were crucial to GEAR. Essentially, critics say GEAR's proponents anticipated and propagated the belief that opening of economy to global capitalism would ultimately lead to economic growth, ultimately assisting the poor, and generally enabling the amelioration of decades of inequality. The thrust of much of Bond's (2001:141) criticisms of the ANC government's economic policy has been that government leadership followed the Washington based international financing institutions prescriptions for reform or liberalisation of financial movement policies as a means of attracting foreign direct investment, only to see the outflow of capital. This investment has not materialised in the proportions that the policy's architects hoped for. In the era of what Susan Strange (1986) has called "casino capitalism", similar to the difficulties of politicians elsewhere, ANC politicians find themselves making economic plans that are thwarted in an international context of the fluctuating strength of currencies, the rapidity of movement of international finance capital in and out of economies facilitated by new technological innovations and the type of financial instruments whereby financial capital is exchanged, as well as by governments' liberalisation of financial movement policies. South Africa has been subject to the vagaries of highly mobile financial capital as well as the flight of domestic capital due to the liberalisation or deregulation of the economy and the relaxation of exchange controls thus allowing people to take more money out of the country. The National Economic Development and Labour Council (NEDLAC), a corporatist economic policy advisory council made up of labour, business, government and development organisations, links the high unemployment rate to the liberalisation of the economy about investment in and outflows, and the non-realisation of expected domestic and foreign investment rates because of the volatility of global financial markets: gross domestic investment as a percent of GDP was expected to increase to 26 percent but did not exceed 14.9 percent; between 1999 to 2000 foreign direct investment declined from R9.2 billion to R6.1 billion; portfolio investment into South Africa declined from R83.9 billion in 1999 to R11.8 billion in 2000; overall, a net inflow of R52.4 billion shifted to an outflow of R13.8 billion in 2000 (NEDLAC 2001:7).

GEAR predicted, under prevailing economic structures and policies, an unemployment growth trend reaching 37 percent by 2000. In 1995, a year before GEAR's launch, in the strict definition of unemployment, which treats workers who are too discouraged from seeking work as outside of the labour force, it stood at 16.5 percent, but the expanded definition put unemployment at 29.3 percent that year (SAIRR 1996/97:358-9). Neva Seidman Makgetla (2004:264-5) notes the expanded definition includes workers who are discouraged from seeking work, and claims the unemployment figure for 2003 is more than 40 percent, and affects mostly youth, blacks and women. The United Nations Development Programme's (UNDP) discussion of the disastrous outcomes of SA's macro-economic policy highlights the figures of the expanded definition of unemployment; it reported unemployment in March 2003 reached 31.2 percent (5.2 million), but in an extended definition of unemployment the figure stands at 42.1 percent (8.4 million) in a work force of 29.6 million (UNDP 2003:19-20). In a total national population of 44.8 million (2001), and with a national poverty line of R569 per month per adult equivalent, about 21 million people still live below that line (UNDP 2003:89). Income inequality, when measured by the Gini coefficient worsened; it increased from 0.596 in 1995 to 0.635 in 2001 (UNDP 2003:43). Despite excitement about entrenched socio-economic rights in the Constitution with their expected redistributive effects, as well as government spending on the social wage as President Mbeki's Advisor, Vusi Gumede (2006) contends, there have been countervailing forces producing increasing inequality when using the Gini coefficient as an indicator. The figures in Table 7.2 show a slowly worsening trend between 1996-2005 within the three black groups but a stable trend within the white group. Most of the growing inequality has been in the African group with some worsening in the coloured group too, but little change in the white group.

TABLE 7.2: Inequality within race groups

	African	Coloured	Indian	White	Total
1996	0.53	0.48	0.47	0.45	0.60
1997	0.54	0.49	0.48	0.46	0.61

1998	0.56	0.51	0.50	0.46	0.62
1999	0.57	0.52	0.50	0.47	0.62
2000	0.59	0.53	0.51	0.46	0.63
2001	0.60	0.54	0.51	0.46	0.64
2002	0.61	0.54	0.51	0.46	0.64
2003	0.62	0.55	0.51	0.45	0.64
2004	0.64	0.55	0.51	0.45	0.64
2005	0.64	0.56	0.50	0.44	0.65

(South African Institute of Race Relations 2004/05:191)

Editorial comments (Sparks 2005) note commendable achievements about economic policy, such as, keeping the budget deficit, national debt, and inflation low, as well as achieving some steady economic growth, but the editorials constantly chide the ANC government over the worrying unemployment situation and increasing inequality. Sparks chides the ANC's achievement of an "unacceptable" problem of "jobless growth" and says its a "shame" and not a "humane society" where there is an "obscene gap between wealth and dire poverty". The moral obligation on the state to "give priority to the needs of the poor in respect of housing development" (RSA Act no. 107 of 1997) has been further burdened by the consequences of its own macro-economic policy. If the policy caused the ranks of the poor to swell, and also diminished their ability to make a contribution to the housing subsidy, it only increases the poor's dependency on the state to expand its resources allocated to provide adequate housing. A Human Sciences Research Council (HSRC) report says that many of the beneficiaries of the government's low-income housing, because of unemployment-induced poverty and an inability to meet their debts, have actually gone back to live in squatter settlements (le Roux 2005). HSRC researcher Catherine Cross says:

> "Serviced housing alone is not going to be enough to overcome poverty,"...
>
> "There will have to be jobs. It is becoming more difficult for people to stay in the houses they've got." (le Roux 2005)

New social movements activists perceive developments in the economy on employment, the subsequent inability to pay bonds, as reducing many households from fairly good circumstances to surprising destitution, a leveling impoverishment, and, it is at the root of disharmony:

> "... the thing that the government has come up with its making some of the people to be poor, and we are not happy about that, because, and if you look at the people that are staying in shacks, some of the people are coming from where they were the 'high' [probably meaning people of relatively higher income and career status compared to others] people in the community. They were working, they could pay their bonds. And at the end, because of the scarcity of jobs, they've lost what they had. They resorted to go and stay [sic] in the informal settlements. ... if the government can know what they are doing we can live in harmony in South Africa. ... Our government is not doing right for the people of South Africa, that is why we are going to be poor in the near future." (Interview: M Kupheka)

Percy Ngonyama (2005) of the Right to Work Campaign, an organisation which educates people on how neo-liberal globalisation policies produce job losses, in an attack on President Mbeki's Opening of Parliament address, claims the address lies about achievements in extending services whereas the privatisation and cost-recovery aspects of the neo-liberal macro-economic policy has caused millions of water and electricity cut offs, and evictions.

Another dimension of the economic changes is that a small black elite has risen above the inequality of the past, and, the ending of white privilege has diminished the circumstances of a small number of white households (Barrell 2000). The emergence of a small elite has prompted defences of the growth of and the type of empowerment deals which expedite the growth of black tycoons (see Carroll 2004), is not cognisant of the intra-racial class antagonisms and growth of class consciousness that this controversial type of redistribution contributes to when masses of black people may compare the scope of their

changed circumstances or opportunities to the ascent of politically connected and business elite black individuals. Opinion-makers frequently express concern about a tension between the modest vision of improved housing and property acquisition for the masses which anti-apartheid activists held, it pales in comparison to the housing and property acquisitions of the small black elite (see Mangcu 2005; & Sowetan 2002). Concerns about developments on housing rights and how volatile the issue is, is only one of the redistribution areas that opinion-makers highlight --- access to health care, employment, and food, are prominent in the writings of critical opinion-makers. It means that the realisation socio-economic rights is not occurring in line with the expectations of a large segment of the public, even if these masses do not explicitly use the language of rights to demand such services. These ambiguous outcomes from the past decade's macro-economic policy, which suggest certain positive indicators, but simultaneous signals of further exclusion of segments of the population because of the worsening of poverty and unemployment levels, and the diminished capacity of many households to complement state assistance on realising housing rights, can only possibly contribute to the intensification of social conflict. Consequently, we can expect some regular forms of collective action, which urge a re-examination of certain policies, or the use of the "voice" option (see Alford & Friedland 1985:83) by the recently enfranchised through some form of action that expresses their dissatisfaction, in effect, serving as a statement of their dissatisfaction with developments on housing rights and the delivery of related services which make for adequate housing.

7.6 Issues developing from housing policy since 1994

Most evaluations of the RDP's housing achievements emphasised "impressive" quantitative outcomes. Often bureaucratic delays slackened processes before authorities approved housing schemes. The RDP aim of community participation was later construed as a tedious consultative process between community representatives and developers which held up the commencement of projects (Lodge 2002:64), a situation that undoubtedly facilitated the marginalisation of

communities and their organisations from housing processes. President Mbeki communicated his views on government's plans, on a website dealing with his *Programme of Action*, but other researchers regularly disputed the information in these plans, particularly the statistics and their relation to population growth, as well as hyperbolic claims on what the policies could achieve.

The shift to a market driven low-income housing provision policy entailed a close partnership with the private sector developers, building contractors and financing institutions. But, for contractors, this market is deterring because of the low profit margins of about 3 percent, while double digit margins can be accessed in large-scale commercial projects (le Roux 2006). Furthermore, government has no incentive scheme for or partnership agreement with contractors. Consequently, many large-scale construction companies left this sector, and it has been overwhelmed by 'fly by night' building contractors. Peter Evans (1995) notes that debate in the shift to neo-liberalism has been about the extent of state intervention, but ignores the vital "midwife" role state agencies play in assisting the private entrepreneurs, which many builders appear to say is non-existent in SA's housing programme. The following section outlines some of the overarching issues suggesting the nature and sources of forces negating the realisation of the right to adequate housing.

7.6.1 The national budget's housing provision

While the negotiations for a political transition gathered momentum, the ANC and COSATU gave attention to the restructuring of a post-apartheid economy. On the issue of housing delivery, their joint views (Sechaba 1990:25) noted the prevailing privatised provision of houses, but both organisations felt "[i]n the future, the democratic state would take primary responsibility for the provision of housing needs", but it was not about the state completely taking on the costly task of providing houses, rather, "the role of the state would be based on establishing the conditions for providing low-cost housing (i.e. subsidisation of land and services) rather than direct state construction of houses."

The RDP focused on the right to housing (ANC 1994:22-28), amongst its priorities to address the material conditions of the poor. Realising the right has ranked high among the expectations of the ANC's constituency. However, realising the right has to evolve in relation to budget constraints and the government's housing policy was faced with the choice of either a mass state housing, or a capital-subsidy approach to realising the right (Simkins 1996:87-88; Lupton & Murphy 1995:161-2). The mass state housing approach lost favour in most parts of the world because it does not reach a large proportion of the targeted groups, and it creates more fiscal pressures for ongoing subsidies. The capital-subsidy approach is more favoured by the private sector, but it is not always favoured by government. Housing ministers Joe Slovo and Sankie Mthembi-Mahanyele vacillated between these two approaches.

In parliamentary debates on the national budget housing appropriations, in only the second year of an ANC government shaping housing policy, it was being urged to minimise its spending on housing, a position that is a frontal attack on an entitlement sense of rights. Despite the de Loor Commission reporting that there is a great sense of dependency on the state for housing provision by a large number of black people, ANC parliamentarians disappointingly did not challenge the statements of a rival parliamentarian, which are highly contrary to the redistributive spirit of a state housing subsidy scheme. His statements stress that the poor need to develop initiative about helping themselves, a position that advocates and complements the globalisation of market discipline (see Evans 2005) and principles by which it supports the realisation of socio-economic rights for poor people without the state overcommitting itself:

> "[Rev M ABRAHAM of the Inkatha Freedom Party] ... I want to introduce a few thoughts on housing policy. No matter how much money we budget for housing, the whole exercise will be a futile one if our policy is not well thought out. One of the serious problems we have encountered in our country in the new dispensation is a culture of dependency. Somehow we have created and initiated this concept of donor mentality and recipient mentality, In other words, there is a tendency for us as

> Government to give - the donor mentality - and for others to receive."
>
> "We must commend the Government because it has taken a very good step in expediting the housing process by giving it a kick-start, a minimal subsidy. But, all in all, we need to act only as facilitators, because our people out there have now got the culture of saying, "We want free houses and we are not going to pay for services." That is not going to work if we are going to build up the economy of South Africa." (RSA, Debates 1997:2188)

Hirsch (2005: 73, 106) claims the first few years of ANC government saw budget re-allocations which cut expenditures on defence and other economic services in order to divert those financial resources to increased allocation to social services, and it worked at improving its tax collection in order to increase the resources available for social spending. Nevertheless, ANC policies soon minimised spending on housing. This reduction is a crucial issue to address in terms of the Constitutional injunction on the state to "promote" and "fulfil" the right to housing. Forecasts of the shifting trend predicted increased spending on defence purchases, which proved to be controversial because the item prices exceeded all official calculations, in opposition to declining housing spending, which caused anxiety (Naidoo 2000:3). Compared with the international average of 3.7 percent of national budget on housing spending, and to the 5 percent advocated by the RDP, spending on this item in SA winded down to 1.4 percent (Smit 2003:169). Figures in Table 7.3 show the basis of anxiety about a relatively stable trend in social spending in the budget, of which, 'housing' is one item with a notable decreasing or retrogressive trend, while 'defence' spending enjoyed some increase (from 2002/03 expenditures on 'housing' and 'community development' are separated).

TABLE 7.3: Trends in national budget allocations

	1998/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
defence & intelligence	5.7%	5.5	6.4	6.6	5.9	6.4	6.0	5.8

education	21.6%	21.2	20.9	20.4	20.3	19.7	19.6	18.8
health	11.8%	11.6	11.7	11.7	13.0	11.1	11.0	11.0
social security & welfare	12.1%	12.2	12.1	12.5	8.0	13.8	15.5	16.7
housing & community development	3.1%	2.6	2.5	2.4	1.7	1.9	1.6	1.7

(Fast Facts 2002 no.3:6; SAIRR Annual surveys 2000-2006)

From the proceedings of the 'Speak out on Poverty Hearing' convened by the SA National Nongovernmental Organisations Coalition (SANGOCO), the SA Human Rights Commission, and the Commission for Gender Equality in 1998, it was apparent the apartheid legacy of inequality and poverty was worsened by the unemployment due to GEAR, and there was a perceived need for increased state spending on socio-economic delivery and service delivery, as well as growing dissatisfaction with the state-subsidised RDP houses (Budlender 1998). Following these proceedings, COSATU, the South African Council of Churches (SACC), and the South African National Nongovernmental Organisations Coalition (SANGOCO), formed a civil society group coalition in November 2000, The People's Budget Campaign, which is at the forefront of a campaign to increase spending on items such as housing to 5 percent of the national budget (Ensor 2004). The campaign organisers were concerned that national budgets were framed in the context of GEAR's strategy to minimise the role of the state in socio-economic development and delivery of social services while the private sector took over the provision of such services. Campaign organisers claimed the cuts on social spending in the budgets in the few years prior to the launch of the campaign vindicated their position (Lesufi 2001:8). COSATU organisers persistently point out ambiguities of certain budget policies where there are apparent increases in government spending, but not on housing spending. This is one source of rifts between the ruling party and its allies prompting trade unionists to reconsider their alliance with the ANC. Neva Makgetla (2005) expresses this disappointment about stagnant housing allocations:

> "The new budget signals a welcome continuance of the more relaxed counter-cyclical fiscal stance adopted since 2000."
>
> ...

> "The increase in government spending permits improvements in most of the main social and protective services."

> "Still it is unclear why this year's budget for housing remains virtually stagnant. In contrast, expenditure on land reform rises nearly threefold - a very welcome development."

The Landless People's Movement's (LPM) sentiments about shortcomings of the budget expressed in the Landless People's Charter hold:

> "Our taxes and national resources are being used to repay apartheid debts and buy expensive weapons rather than to develop our country and our people."

A general view held by LPM organisers on the management of the national budget, although the LPM has not presented the view in a formal document, is that it really does not positively affect the circumstances of the poor:

> "...we think that the budget ... that it doesn't satisfy the poor people at all." (Interview: M Kupheka)

Widespread public sentiment, and opinion-making (see Barker 2004) favours increased expenditure on housing, which is also linked to improved health. A HSRC researcher's critical interrogation of the budget allocation shows how it is below what is required to deal with the housing backlog:

> "[Mbeki's] Programme of Action focuses on budgetary allocations to cater for housing backlogs - for example R14,2-billion will be spent over the next three years to provide basic shelter. According to Statistics SA, the current housing backlog is about two million. At current subsidy levels the R14,2-billion would result in 550 000 subsidies. On this basis the state would provide an average of 183 000 houses each year for the next three years, well below what is required to address the current backlog, said [HSRC researcher director, David] Hemson." (Robinson 2005)

The official response is the criticism does not take into account the role of the private sector, that is, the commercial banks' commitment of R42-billion for low-cost housing provision; similar to World Bank prescriptions, the ANC government encouraged commercial banks to increase their package of loans to the low-income sector. Furthermore, this criticism does not take into account the problem of a staff shortage of 30 percent in the housing department, mostly in the areas of land surveying. But there are other dynamics affecting what achievements may be realised. Although, between 1994-2006, government paid out R37 billion in subsidies, this did not keep abreast of changes in large-scale migration from rural to urban areas; the number of homeless households increased from 2 million in 1996 to 2,4 million in 2005, despite the government having delivered 1.9 million subsidies; the increased number of homeless households is influenced by the fact of a changed size of the average household from 4,5 in 1996 to 3,8 in 2001; and a general population growth from 44 million in 1996 to 48 million in 2004 (Wilson 2006a).

Research by the banks' association reveals the immensity of the challenge they are being urged into (Wilson 2006). There are about 12.5 million households in SA, but only between 3 to 3.5 million have the capacity to provide their own housing needs; about 7 million households are entirely dependent on government assistance; only about 2 million households fall into the R1 500 to R7 500 per month income that the banks would be willing to grant loans; there is a shortage of about 650 000 units in the latter category, and to close this gap requires the construction of 135 000 houses a year over five years, but only 15 000 are being delivered per year.

The decline in allocations to housing has been matched by a decline in the number of small houses being built, although a clear connection between such houses and the subsidy scheme may need to be established. However, it does prompt the question whether fewer households are able to construct modest sized homes on their own, or even with the assistance of home loans. The SAIRR monthly reports (Fast Facts no. 4 2001: 5; no. 6 2001: 9; no. 8 2001:9;

no. 10 2001:9) on the building of new houses smaller than 81m^2 indicate a progressive decline in the number of such houses built ever since August 2000.

A decade before the ANC's assumption of government office, the urban housing shortage was estimated at 583 000. Later, the de Loor Report claimed the backlog in 1990 was 1.3million, but it has mushroomed ever since. The Urban Foundation (nd:7) pointed out the problem with the varying estimates of the backlog: some organisations and individuals exclude the homeland territories while others include these territories, some estimates calculate the backlog as the difference between the formal housing stock and the number of households at any given time, some estimates include the stock of informal shelters. In 1994 the housing backlog was estimated at a tremendous backlog of 3 million houses, a burden inherited due to the NP's reluctance to build urban houses for blacks in the 1970's and 1980's (Fast Facts no.12 1994:1; Lodge 1996:197). The backlog estimate includes households using informal housing and backyard shacks without services, people without shelter, and, to a small extent, the "homeless". When hostel residents are added, because in their prevailing state the hostel buildings did not represent adequate "accommodation", and when the housing demand in rural areas is included, the total estimated backlog approximates a figure of three million houses. Despite efforts to arrive at a reliable estimate, it has been argued the rural housing backlog should include an additional 2.9 million informal dwellings since they are not serviced and do not satisfy "minimum standards". In addition, natural population growth would add 200 000 new houses per year to the backlog. At the onset of negotiating a post-apartheid housing policy, other analysts argued when we consider 200 000 new households emerge each year there would be five million households demanding housing over the next ten years (Fast Facts no.12 1994:2). More recently, a UN report claims that the rate of housing backlogs has increased from about 178 000 per annum to 208 000 per annum (UNDP 2003:34).

Given the above trends in the growth of the backlog, the size of the national budget allocations are obviously a key factor in assisting many households in realising the right to housing. An SAHRC annual report on economic and social

rights examined the budget allocations to the delivery of socio-economic services and stirringly concluded the government is violating the right to housing because the proportion of the allocation specifically to housing is decreasing:

> "The measures ... undertaken...are relevant to the realisation of housing rights....However, the measures remain insufficient.... As a share of the national budget, the housing budget has been declining over the years. The State is reducing the enjoyment of a right without reasonable grounds for the reduction being provided."
>
> "It is therefore clear that the State is not even able to prove that it is applying the resources efficiently, meaning that housing rights are being violated." (SAHRC 2001:301)

Subsequent to that report, SAHRC housing researchers have softened their stance because of a new approach to the idea of 'adequate' housing. The new approach incorporates examining the broader scope of increased expenditure or allocations on services (such as, roads, schools, electricity and water supply stations) to complement the provision of 'adequate' houses (Interview: C Mphephu). This temperate perspective of SAHRC housing researchers acknowledges the effect of inflation on building materials, but also argues for a more "macro" view of the meaning of the right of access to adequate housing. Furthermore, these researchers are of the view that focusing on the building of housing units only does not take into cognisance the state's allocation of funds to other services complementing the notion of adequate housing, as understood by international standards. Thus the SAHRC accepts that whatever priority is given to spending on housing or to increases thereof or to the number of units built each year, this cannot be separated from expenditure on other services which complement the notion of 'adequate' housing:

> "I don't think that I do agree that there is overall retrogression when it comes to housing. Yes, but of course ... the price of things are going up. ... We have to take into cognisance the macro view. We can't just look at housing, because if you only have a house

> but you can't provide water, you can't provide education, you can't provide transport, then that doesn't become an adequate housing. And according to the Constitution the right is to access adequate housing, not just a house. ... If you have a macro view, then you will see that there is no decrease. Actually, there is an increase. ... We would like it [the budget's housing allocation] to be more. But, we have to take into cognisance the global factors, the national factors - they need to provide other social services. Those are the things that need to be taken into consideration. ... There is a need for us to have a macro view. Maybe its easier for us as the South African Human Rights Commission to have a macro view, because we have to monitor the realisation of all these other rights." (Interview: C Mphephu)

The SAHRC position on whether subsidy increases keep up with inflation is:

> "... We appreciate subsidy increases. But even if these subsidies are increased annually, houses are becoming more and more smaller. Perhaps instead of just looking at inflation, people should look at the real economy. ... People should also look at the fact that land is also becoming expensive." (Interview: C Mphephu)

A Gauteng Housing Department director's (Interview: W Odendaal) elaboration of the state's approach to the correctness of the allocations points out that the central government's experience with persistent underspending by provincial governments justifies the proportionally decreased allocations:

> "I would say up to 2004-2005 the budget allocation was sufficient, but since 2005 its not quite sufficient. ... [My] motivation to say that is if you check the expenditure by the various provinces, they underspend or they just achieve expenditure. There's no point in increasing the allocation if you cannot spend the money."

The state's response to the SAHRC report which slammed the decreasing trend in the housing allocation added perplexity to the discourse on the fiscal

constraints of the state: a few weeks after the damning report, it was announced that housing allocations would increase by R1.3 billion over the next three years (Xundu 2001). However, the nominal figure does not reveal that as a percentage of total budget expenditure the allocation has declined. Whether the situation on social spending on housing can be viewed as an affirmation of a fiscal crisis or fiscal constraints type of issue is a debate with competing positions. Bond (2000:299) calculated that the construction of 200 000 houses per year using state subsidised houses of R15 000 per unit to construct houses costing R30 000 would cost the state an affordable expenditure of R3 billion per year. Based on Bond's claims of possibly constructing 200 000 units per year, it would appear within the state's means to meet a considerable proportion of the backlog needs of the UNDP's calculation of a backlog increase of 208 000 per annum. Achieving this pace of delivery could circumvent a considerable amount of housing protest. After the state's delivery on such calculations, a considerable part of the shortfall could easily be covered by the annual charitable works of church organisations, friendship organisations, and even SA radio stations.

7.6.2 Financial institutions and low-income housing loans

The consequence of the World Bank's advice to the NP government, and of other concerned actors during the negotiations period, about advocating a reliance on private sector housing provision meant banks, building societies and related financial institutions, had to be more agreeable about advancing home loans to black customers (Lupton & Murphy 1995:146, 148-9). However, a reluctant attitude endured among financial institutions about low-income housing loans and effectively demonstrated certain weaknesses in the World Bank and IMF's neo-liberal vision of the potential for the 'normal' operation of markets in South Africa as well as the economic policy assumptions of the ruling neo-liberal elite (Terreblanche 2002:80-3, 96, 105, 114-6, 419-39). At the onset of the RDP's ambitious housing plan, the major banks consented to a "Record of Understanding" to grant loans to housing subsidy recipients and to end a discriminatory geographic 'redlining' policy (Bond & Khosa 1999:11). The ANC

elite was convinced the private sectors' profit motives and self-interests would draw it to involvement in upliftment and improving the living conditions of the poor, thereby complementing the RDP's goals. Later, Housing Minister Sankie Mthembi-Mahanyele (RSA, Debates 2001:2110-111) informed Parliament that unemployment and low wages deterred private sector investment in disadvantaged areas. The banks have been slow to move beyond the apartheid legacy of marginalising the black low-income market in their lending policies. Kunnie (2000:119) captures an early stage of this problematic situation thus:

> "In the sphere of mortgage lending, for example, yet another goal (such as the ANC's initial promise to build 1 million homes in five years, when the state built only 878 houses from March 1994 to March 1996) has been scuttled: Fewer than 1,000 low-income earners had received loans from the country's four big mortgage lenders, totally off the anticipated goal of financing 50,000 homes by 1996 that the lenders agreed upon with the government."

That reluctance through the course of the first decade of post-apartheid housing policy pushed government to adopt coercive legislative measures entailing a fine of R500 000 to get banks like Nedbank, Standard Bank, Absa, and FNB involved in low-income housing loans (Cook 2002a). The Banking Council regarded the proposed legislation as intent on punishing the banks for non-compliance instead of offering incentives for lending to the lower end of the market (Rose 2002). Getting financial institutions more committed to low-income housing entails amicable consultation between government, the legislation that government drives affecting financial institutions, and the financial institutions themselves. It appears the minister was not sufficiently consultative about the new legislation: the Institute of Estate Agents Central Gauteng chided minister Mthembi-Mahanyele for being oblivious of risks to financial institutions in lower-income areas, for government not securing the rule of law in many low income areas and thereby putting financial institutions at risk, and for not making enough serviced land available to developers to accommodate the lower-income market (Cokayne 2002). Government attempted to appease the banks: it promised to address a legal loophole that made it hard to evict home loan defaulters, which

banks say undermines confidence in banking and property, and published amendments to the Prevention of Eviction and Illegal Occupation of Land Act closing the loophole. Minister Mabandla told Parliament the measures were aimed at protecting the integrity of the housing market (Radebe & Hartley 2003).

First National Bank (FNB) representatives (Interview: S Ndlovu) refute the generalisation about banks wanting changes to eviction legislation. Such changes take quite some time, so banks opt for creative solutions otherwise they lose potential business while waiting for the changes. FNB feels they have gained experience with the formerly excluded market, they understand the capabilities of the market better, and, have tailored their home loan products to deal with a stratified incomes market, thus minimising their losses.

Mabandla's successor, Lindiwe Sisulu, appeared confident she had got the banking sector committed to low-cost housing finance by getting the banks to provide the R42 billion of financing for the low cost housing market (that is, for households earning R1 500-R7 500 per month) by the end of December 2008 in terms of the *Financial Services Charter* (Gunnion 2006; Merten 2005b). This turn of circumstances meant that Servcon, a low-cost housing venture between government and banks could shut down. Servcon had powers to evict defaulters, but Minister Sisulu felt, through an education campaign, low-cost home-owners would increasingly understand their bond payment obligations. The end of Servcon's mandate put pressure on other national housing institutions to accelerate easy access to finance for low-income earners. Sisulu's endeavours apparently benefit a more professional sector of the labour market; her words show she preferred to identify professions with steady employment, rather than those low and unskilled employees in competitive industries and threatened by job losses through the opening of the economy to free trade:

> "We are confident that the memorandum of understanding will benefit those who receive little or no government subsidy, including nurses, teachers and the police." (Merten 2005b)

The Development Bank of Southern Africa (DBSA) also came to the rescue making available loans totalling R1.2billion for urban and housing development and capacity-building support in the Cape Town metropolis (Ensor 2005a). Notwithstanding, reliance on market forces to play a role in the building of houses did not attract many contractors and financing institutions willing to complement government's policies - prompting government to lambast financial institutions for "dragging their feet in coming on board with regard to housing the poor" (SAIRR 2001:145, 164), and to point out that only 16 percent of the low-cost houses have been credit linked, the rest were funded through government subsidies. Sluggish delivery produced a game of buck-passing where government blames private sector financial institutions for having rigid lending criteria, in turn, government gets blamed for implementing obstructive policy, and local authorities are criticised for being apathetic and disorganised (MacKinnon & Lewis 1997:75). The private sector is regularly exposed as not living up to the claims of high levels of efficiency which is evidenced in the disastrous private sector-led housing development programmes (Naidoo 2000:31). This has demonstrated misconceptions about market institutions as key elements in the discourse on redistribution and the realisation of socio-economic rights.

Six months after Minister Sisulu and the CEOs of the four largest banks had signed a memorandum of understanding on 31 March of 2005, signs appeared of the banks reconsidering their R42 billion commitment (Merten 2005a). They demanded higher levels of interim measure state protection for the next ten years against losses caused by defaulting until the housing market stabilised. The banks feel the Housing Minister must provide a 'risk mitigator'; this could take the form of guarantees to compensate the banks in the event of problems between defaulting individual borrowers and the banks. Defaulting may be due to affordability or unemployment. In the view of representatives of First National Bank (Interview: A Mngadi), the Minister's approach was not helpful, because she (or government) adamantly refuse to cover 'commercial risk'. Minister Sisulu acknowledged the banks wanted government guarantees for the R42billion:

> "The bottom line is that we and the banks want to have a sense that this is a shared responsibility. We, as government, don't want

> to feel that we are being made to take the burden of this whole venture ... banks had worked out an equation where government unfortunately ended up with the bigger chunk of the risk. We are trying to negotiate this. There are historical problems with the market we have inherited. We have to normalise it together; when it is normalised the banks will benefit the most." (Merten 2005)

FNB representatives feel defaulting because of bond boycotts or loss of employment has not hit them terribly. Their sense of why this is so, is that, in cases of loss of employment, most individuals use their payout package to pay off the bond (Interview: A Mngadi). In anticipation of episodic Reserve Bank interest rate increases, the five-year fixed rate schemes FNB offers the low-income market have an annual internal increase structure to help low-income households manage such increases. The scheme offers options to switch to a variable rate system if borrowers feel their income situation has changed. The scheme also helps manage the situation where property price increases of the higher borrowing market are "slowing down", but low-income market property prices are increasing "substantially" (Interview: A Mngadi and S Ndlovu).

By May 2005, government and the banks appeared to have reached some agreement on sharing and mitigating risks of the low-income market (Ensor 2005). Banks were concerned there was not enough stock of quality bondable housing, which would accelerate the release of the R42billion. Minister Sisulu promised to speed up delivery on such housing, and that Servcon would become a special vehicle for land acquisition. The Managing Director of BASA, Cas Coovadia, said the banking sector had, by this point in time released R16.8billion and would reach the December 2008 deadline to release the targeted R42billion, but still expected government to underwrite some of the risk, especially for fixed-interest home loans, before a second portion was released.

On the part of the private developers there is a different perception and appreciation of the banks and their enthusiasm to be involved in low-income housing. Bridget Harding, Managing Director of Wietpro Housing, a company involved in developing housing for the low-income market, says:

> “The new initiative with the banks ... the banks are very, very motivated. The banks are coming to developers and saying: “Please help us. We have to do something!” And the banks are trying their utmost. I know, ... Standard Bank, they send directors out to say: “Where are we going to put our money?”” (Interview: B Harding)

The banks, true to their nature as profit-seeking enterprises, however, do state they wariness about where they put their money. Profit margins in low-income housing developments are low; potential home-owners work on a “shoestring budget”; and, the organisation of the industry, which often draws in intermediary developers between the banks and the actual building contractors, pushes up the prices of housing units, as well as affects the standards and quality of housing products. Consequently, FNB representatives (Interview: S Ndlovu) say banks need to be wary of which developers and contractors they work with.

Banks whinge at the government bureaucracy’s slow work pace: it takes up to three years to rezone and make land available for development. Banks say their staff who deal with the government bureaucracy have many anecdotes about their tardiness, lack of capacity, and queue-jumping by some applicants despite excuses of “bottlenecks” (Interview: A Mngadi). FNB withdrew the financing of ten housing development projects because the processing wait was “just too long” (Gunnion 2006):

> ““This (supply of land and new housing stock) is the biggest single stumbling block in the process of low-cost housing,” says Jopie van Honschooten, who heads the Banking Associations of SA’s housing initiative.” (Gunnion 2006)

FNB representatives (Interview: A Mngadi) feel civil society organisations, which communities of potential home-owners organise themselves into, can play a positive role in approaching the bureaucracy, through actions such as using marches to pressure for a more urgent proclamation of land for development. Bureaucratic tardiness has consequences for developers who have to endure

holding costs, despite the small profit margins in this market. This tardiness raises concerns among the banks who feel they can reach the targeted R42 billion investment by 2008, and they have demonstrated their commitment by putting services in place even before developing property on the stands (Gunnion 2006). In addition, banks complain the slow pace of development has produced a shortage of "bondable housing stock" on which banks are willing to grant loans to households in its target group (Wilson 2006).

To cater for the income stratification of the home loan market, and the different affordability profiles of the potential market, banks have had to be creative in coming up with different schemes or packages. FNB devised a system of three home loan categories; the "FNB Housing Finance" scheme is for the lowest borrowing market for loans between R20 000 to R240 000 (Interview: A Mngadi).

Sisulu (2005) is also motivated to transform a legacy of a racially based financial and institutional framework and forms of exclusion from economic activities so that black people can realise housing as an asset and thereby uplift themselves from poverty as well as stimulate economic growth, a viewpoint that integrates Agnew's (1981a) and Saunders and Williams' (1988) arguments, as well as those of Peruvian economist and housing researcher, Hernando de Soto. The gist of de Soto's argument about why capitalism is not successful in developing countries is that the poor in these countries do save, they do have assets, but there is either no system of giving them titles to these assets, which they could use as collateral for loans, or there is a cumbersome bureaucratic process about registering their title to any capital; consequently, the poor are sitting on "dead capital" (de Soto 2000:11). For de Soto, acquiring housing and legal title thereto are crucial to stimulating economic development. His generalised view of the African continent is that: "Africans don't own enough property", thus stunting economic development, because owning property is central to joining a free market (Cape Argus 2005a). His observations in South Africa prompted comments on a failure to integrate the economies of the rich and the poor, and non-enjoyment of property rights excluded the poor from the legal system:

> "SA's economic framework appeared, at first glance, to exhibit similar characteristics to many other poor countries, he said, as there was "lots of migration towards big cities like Johannesburg, yet most of the people are excluded from the legal system."
>
> "De Soto said in other developing countries, his research showed that more than 70% of inhabitants were typically excluded from the legal system, which meant they did not enjoy property rights."
>
> "He said once those individuals were "legalized", and could exercise legal property rights, it became easier to assimilate those excluded into the mainstream economy." (Rose 2005)

Given the expressed concerns about a wave of housing unrest in 2005 and its impact on political stability after, and in the light of de Soto's comments about inclusion through broadening the enjoyment of property rights, we need to see how accelerating delivery and home ownership becomes an important part of the struggle of the homeless and transforming their quality of life through dealing with how the legacy of private property ownership constrains a larger sector of society's enjoyment of that right too. It is much like the utilitarian notion of securing the optimum happiness of the majority or the "greatest social welfare". Apparently, de Soto's argument has enjoyed considerable appeal and influence in the SA government, especially given the realisation some shack owners rent out shacks and thus have collateral to raise mortgage loans and finances to upgrade their homes, and in the adaptation of national housing policy through the '*Breaking New Ground*' policy, yet there are concerns about whether his ideas are appropriate for South Africa (Joffe 2006; Royston 2006). For instance, de Soto's policy prescriptions may be inappropriate as far as title to land is concerned because it is based on western models of individual ownership, whereas black communities are still comfortable with communal land ownership arrangements on which they build houses as well as engage in land cultivation (Cousins & Hornby 2007). Royston (2006:173-4) sees weaknesses in his argument because it does not have a sense of the political and economic

interests that make capitalism shun working with the poor. Furthermore, he disputes de Soto's claims about how the poor can access credit because lenders do not lend to the poor, and, when the poor do access credit, formal title to assets is not always a precondition.

7.6.3 The quality and standards of low-income housing products

Marshall's (Marshall & Bottomore 1992:8) sense of the enjoyment of social citizenship rights bears a qualitative: goods and services delivered to people should not be below society' prevailing standards. This notion is very elusive because apartheid's spartan matchboxes and the Urban Foundation's self-help structures were hardly prevailing standards worth continuing. The *Housing White Paper* had a sketchy vision of adequate housing as: "a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; and potable water, adequate sanitary facilities including waste disposal and domestic electricity supply."

Whether post-apartheid housing products would exceed the standards set by the apartheid era designers would depend on the input of the newly enfranshised communities and their representatives in the process. SANCO's ideals of adequate housing became marginalised. Moses Mayekiso, during the debates on a housing policy prior to 1994, was wary that the subsidy scheme and the size of the subsidies would not deliver adequate housing. His statements reveal high expectations and presaged the regular complaints about the quality and standards of low-income housing that emerged:

> "It is a major scam. In my view, the whole subsidy scheme must be reworked, because the $3,600 [R12 500 in 1994] maximum that is offered is just not sufficient to pay for anything more than a plot, a toilet and some few building materials. We say the subsidy must include a core house, full services and infrastructure. It must be at least 40 square meters in size, with good quality construction" (quoted in Bond 2000:249).

SAHRC reports on the norms and standards set by the Minister of Housing and the National Department of Housing, reveal outcomes beneath Mayekiso's expectations; Bond (2000:306) characterises what emerged in some instances as a "demise of humane levels of service provision". Newly built houses lack water-borne sanitation, there is no reliable source of electricity, stormwater drains, or tarred roads. The Department set a minimum size of 30m^2 (SAHRC 2000:177-8). In some provinces the minimum top structure varies between 30m^2 and 32m^2, however, in Free State province the minimum was set at 40m^2. The official standards also provide for water, sanitation, roads, stormwater and streetlights, but these are subject to a maximum subsidy of R7 500 (SAHRC 2000:177). In addition, the SAHRC (2000:178, 180, 186) reports that claims which provincial departments make of all households having access to services like water, sanitation and electricity, are contrary to other official reports, for instance, the national census reports.

A widespread observation in the subsequent years is the resulting poor quality of the housing products that have been delivered, and that this is possibly due to the small size of the budget allocation as well as the size of the subsidies. It had taken the period between 1994-2003 to deliver 1.5 million low-income houses, but this impressive quantitative record is overshadowed by the reports of the poor quality of a large proportion of these structures. A Built Environment Support Group report (BESG 1999:5) on the notion of 'adequate housing' internationally and in SA specifically stated that only 30 percent of houses built between 1994-1999 with government subsidies were of a suitable standard, and this was mostly because of securing additional funds from other sources, such as the case where the Kimberly City Council provided an additional subsidy of R10 000 to each beneficiary. Submissions to the National Speak Out on Poverty Hearings of 1998 (Budlender 1998:31) tell of disappointment about RDP subsidised housing pointing to problems with the size of structures, lack of money to complete structures, structures lack space for privacy and intimacy because a whole family had to live in a one-room structure whereas they desired four rooms, hygiene concerns of the occupants, and self-help structures cannot

be reliably completed by people without proper building skills and because they did not have money to complete the structure by adding on a roof.

The declining funding of housing and the impact of inflation on building materials contributes to the poor quality of RDP houses and fuels the anger of people who have to live in these houses. Citing the BESG report, the SAIRR (2002:45-6) reported on two Durban housing projects where a lack of understanding of what constituted adequate housing, and insufficient funding heightened by inflation, resulted in sub-standard houses being built. The lack of funding produced corner-cutting in terms of material, design, and construction. Furthermore, there was no keeping up with inflation considering that in 1995 a completed two-room house with waterborne sewerage and an in-house water connection could be afforded with the maximum R17 250 subsidy, but by 1998 only a one-room frame house could be afforded with the subsidy. In some cases, values of poor quality structures dropped from R38 000 to R13 500. Protests about these circumstances include non-payment and threats to burn down houses.

Agnew (1981a:74-5, 80) argues a house is an asset that appreciates in value and is capital which is transferable across generations, thus homeownership may co-opt the working class. However, the situation of an enormous proportion of RDP houses suffering from poor standards and quality, and the occasional outbreak of housing protests, suggests the government's housing policy acts against both an appreciation in value and co-option. Minister Lindiwe Sisulu acknowledged quality had been sacrificed in SA's quest for speedy housing delivery to the poor and their complaints that they were given poor houses because they were poor (News24 27-09-05).

The small subsidy restricted the quality of the dwellings since it had to cover several services requirements. A subsidy of R15 000 had to be spread over the costs of a plot serviced with plumbing, sewerage and access priced between R8 000 and R12 000, had little remaining to complete a dwelling (Lodge 2002:64). The subsidy also prompts private sector developers to opt for the most cost saving strategies, usually in the type of (unskilled) labour used because the

proportion first set aside on materials purchases is used on materials of reasonably good quality. Low-income housing developer Bridget Harding says:

> "You know, the amount of the subsidy is so low that you have to almost get these people from the street to build the houses. ... There's not enough money to get the professional type of builder in there." (Interview: B Harding)

The size of the subsidy cannot keep pace with inflation and exacerbates the problem of quality (Smit 2004:172). Although periodic increases of the various subsidy schemes are announced, unfortunately, these do not pre-empt a process where developers complete structures that are of poor standard because of rising building material costs. When announcing a subsidy increase in 2004, Housing Minister Bridgette Mabandla claimed that the subsidies are adjusted to inflation and had risen by 106.4 percent or, from R12 500 to R25 000 in the ten years between 1994 to 2004 (Phasiwe 2004). Mabandla also claimed this sensitivity and responsiveness of the government to the needs through subsidy increases enhanced the quality of houses delivered by government (Department of Housing 2004).

Government blames private sector developers for unsatisfactory outcomes. Despite the role of the National Home Builders Registration Council (NHBRC) to approve of contractors, Minister Mthembi-Mahanyele acknowledged in Parliament (RSA, Debates 1997:2171) that unscrupulous contractors constructed questionable products. There may be administrative capacity problems too in improving the situation, or, in other words, signs of a weak provincial and local government bureaucracy as far as enforcing and monitoring higher standards for the delivery of housing products. Minister Mthembi-Mohanyele, stated in 1998 that some contractors took advantage of government's loose definitions of norms and standards. Consequently, she added, from April 1999, the minimum size for low-cost government subsidised houses would be 30m^2 and, where geographical circumstances limited this, units of 27m^2 would be approved (SAIRR 1999:162). Despite a housing programme, it is still a fact that due to overcrowding of dwellings or the number of occupants

per room, millions of South Africans are deemed to be without adequate accommodation (Pigou et al 1998:51).

There is a general expectation that ownership of a home and the quality of one's home, play a prominent role in people's evaluation of the changes to their social status (Marshall & Bottomore 1992:36; Rakoff 1977), and is a gauge of whether there has been an improvement in their quality of life since the formal attainment of citizenship status. Post 1994 housing development schemes are stirring up some divisions and housing related forms of stratification within black communities. Ellen Khuzwayo, an elderly Soweto social worker and anti-apartheid activist, expresses disappointment about housing development and the products that have emerged, which betray the sense of justice she developed about people's right to a home and shelter, hence the pejorative likening of many RDP houses to chicken coops [*mekhukhu*, sometimes used for shacks too]:

> "People are treated well or not by the look of their houses...That's wrong. Those from posh houses are respected and others are called names - *abantu bas'emkhukhwini* - people from the shacks." (Sowetan 27 February 2002:21)

Khuzwayo's statement strongly suggests what is happening is akin to stigmatisation and social closure (see Saunders & Williams 1988:87) because other people look down on inhabitants of such housing zones. American sociologist John Walton (1990:153) talks of the 'injuries of class' in a manner which aptly characterises the contrasting lives of those who enjoyed considerable class mobility and have fared well through SA's elite transition as opposed to the precarious life of those who are still heavily dependent on the state's redistributive measures to obtain housing that should enhance their dignity and sense of equal citizenship. The upwardly mobile have bought new social status similar to the way commodities such as housing, automobiles and clothing are bought (Walton 1990:183-4).

While the Housing Minister found praise-singers for her department's achievements, a few years later housing protests signaled the awakening of a large number of discontented people from this delusion; it is an awakening akin to what Ted Gurr called the "turmoil" that occurs when people clash with authorities because they sense they are being deprived of what they feel entitled to. Interjectors in Parliament tried to discredit the ANC's housing policy, but Mrs Adelaide Tambo, an ANC MP, responded that the housing minister achieved excellent outcomes with sub-economic housing despite financial constraints, and should not be criticised but congratulated and supported, because the persistent phenomenon of *mkhukhus* [shacks] must be attributed to the NP's failure to deliver housing (RSA, Debates 1997:2185). Mrs Tambo's defence of the Housing Department came only three years into the political transition and in the year of the formalisation of post-apartheid housing policy, but, after fourteen years the worsening housing situation cannot still be solely attributed to the apartheid legacy. The fact that research subsequent to the BESG report of 1999 shows persistent discontentment about later low-income housing project occupants must redirect blame at the intransigence of a new elite.

It appears that for the new generation seeking a house, they have to move to these low-income houses, whereas, having grown up in the houses provided to the previous generation by the NP government, a higher standard of expectation of an improvement had been set. This is an ironic twist given that the inadequate number of apartheid era housing structures for blacks have been described as spartan matchboxes. Some members of the Black community have a nostalgic retrospective view of how the new structures pale in comparison to the NP built houses, that is, in terms of the family size and needs of Black households; an LPM organiser expresses this nostalgia and view of a deterioration in standards:

> "... these houses are very small for the families ... you will recall that we - the Black people - have got big families. In the past, when the past regime was building houses, they were building four-roomed houses with a big yard. Today we are having one-roomed houses with a very small yard, and you cannot extend even if your family is so big." (Interview: M Kupheka)

Nevertheless, the desperation leaves no alternative, and there appears to be contentment among the occupants of the houses:

> "We don't see anything which is very good which is happening in those RDP houses. We are not happy at all about them but what can you say if somebody has never stayed in a house for fifteen years. When he gets this RDP house, he's happy. He's got a shelter above his head, but it is not enough!" (Interview: M Kupheka)

Partitioning and rooms are important for the different types of activities in a household (see Saunders & Williams (1988:83). SAHRC researchers have interacted with other researchers focusing on certain aspects of life among the occupants of these dwellings with no partitionings and have learned of some very disturbing incidents. They have been alerted to the problem of a high incidence of child rape and sexual molestation in such projects; the fact that there is no partitioning and privacy in these dwellings is suspected to be a major contributing factor to this problem (Interview: C Mphephu).

Private sector developers believe considerably good work was being achieved through their approaches at the onset of the low-income housing developments, until the government intervened and interrupted this. Wietpro Housing, Managing Director, Bridget Harding, says they were committed to working on providing a starter house on a stand of 250m^2 as a minimum stand size, which included a 45m^2 foundation with a roof over the full foundation area because, they argued, people cannot erect a roof easily, together with one room and a toilet on a smaller area of this foundation. When the developers revisited these houses again, about eighteen months later, they found the occupants had done "incredible things" (Interview: B Harding): many of the occupants added a further three walls to a now much larger house; in some cases, the occupants had also added one or two rooms beyond the initial foundation. However, the developers blame the Housing Department for constraining the creativity and initiative of occupants as well as the possibilities for extending these structures with such a

large foundation. The Housing Department imposed new standards entailing two rooms and a toilet. These structures are too restricting to build on to, they deny low-income people the opportunity to own houses which are assets that improve in value, and the state must take responsibility for building slums:

> "The Housing Department took away the ability of the people to extend on these houses ... they gave them a completed little unit ... We said: "Don't take away their right to develop their houses themselves!" ... The people kicked against this, they said: "Give us the roof, we can buy a few bricks every month." ... These areas, within a year, they would develop into real houses. And houses which today sell for between R80 000 and R90 000, when they changed hands. They took away the subsidies from private enterprise, they took away the initiative of people to have the ability to build onto their own houses." (Interview: B Harding)

In addition, Bridget Harding contends that the People's Housing Process, a policy shift in 1998 entailing increased beneficiary involvement in the top structure component (see Charlton & Kihato 2006:265), would not successfully produce structures of quality because a foundation and roofing require an engineer's certificate. To its credit, Gauteng Housing Department acknowledges that the sizes set by the standard of 30m^2 can be a problem for the 'quality of life' of its inhabitants. Hence it has plans to propose to the Housing Minister to increase the minimum size to 36m^2 (Interview: W Odendaal).

Besides the problems of standards and quality, housing activists point to the problem of how expensive it is to maintain RDP houses because they are not energy efficient. Marlett Wentzel, of Palmer Development Consulting, a development group that raises awareness about environmentally friendly housing, says the houses: are environmental disasters; are cheap to build but cost the occupants a fortune to maintain; are built of energy-inefficient materials; do not incorporate energy efficient design ideas such as facing north, consequently, they have high running costs because heating up the houses costs the occupants about 66 percent of their income (Vinassa 2003).

7.6.4 Problems about the housing bureaucracy

Critics of the present Housing Minister's performance contend that the bureaucracy of the national housing department is currently run by a minister judged to be energetic about her task, who has good ideas, who does charismatic acts by appearing at low-income housing construction projects, and, consequently, is judged to be overall doing an excellent 'A' rated job. Ironically, under Sisulu's management, the housing backlog increased from 2.2 million in 2004 to 2.4 million in 2005 (Mail & Guardian 2005, 2006). Unfortunately for the Minister, it is at other levels of government where problems creep in and undermine bureaucratic efficiency. Key to democratisation and transformation in the lives of the newly enfranchised, is the transformation of the public service and transcending the 'sunset clause' which guaranteed the positions of most tiers of the apartheid civil service for the first five years of the transition, and, ultimately, delivering on the transformation promises of the new government. It is turning out to be a long-term process with many obstacles (see Moleketi-Fraser 2003), notably corruption and skills shortages.

Marxists view state bureaucracies in capitalist liberal democracies as instruments of bourgeois domination (Ham & Hill 1984:48-51). South Africa's bureaucracy, rather than being a pliant blatant instrument of multiracial bourgeois domination is noted for instances where individuals acquire posts by a black employment equity and empowerment programme, then make parasitic "personal fiefdoms" of their posts (du Preez 2006). Corruption in the state bureaucracy is worth mentioning because it contributes to our understanding of how citizens feel their right to housing and other services is being undermined, and the problem also fuels housing protests. Public Service and Administration Minister Geraldine Fraser-Moleketi (2007:240-1) conceptualises this problem as a pursuit of individual gain in a context where "[u]nderdeveloped capitalism has lacked an independent basis for accumulation within the economy, making access to the state and its levers critical for capital accumulation". Similar to the postcolonial societies in Africa and elsewhere, connections to the state are

opportunities for pillaging public resources and pursuing personal wealth by diverting funds into private accounts or failing to allocate funds to designated target areas (Bayart et al 1999:8, 71). The Minister argues corruption impedes development because it takes away resources from priority areas (housing, health, education). Many corruption exposures implicate ANC aligned bureaucrats or councillors. The fact that the party does not hold the individuals accountable only fuels public discontent because the problem is linked to "a perceived lack of delivery and lack of access to a closed elite" (Independent online 2006), and, a generalised perception that the ruling party is rife with individuals who privatise public resources while pretending to represent the interests of others prompting portrayals of ruling parties as betraying their people (Mangcu 2007). ANC research (ANC 2006:89-91) reveals a high proportion of people across all race groups feel corruption in government is increasing.

The housing department bureaucracy is regularly tarnished by exposures of corrupt individuals. The negative impact of corruption on the success of social policies and political stability cannot be underestimated; it fuels the mood of public discontentment about housing issues as well as protests which target the problem. The problem of corruption vindicates the civic organisations' charges of the housing policy producing "toilets in the bushveld". A Democratic Alliance (DA) Member of Parliament, Janet Sample, reported to Parliament on such projects in Limpopo Province: a project at Leboeng produced 500 toilets, but no houses; a project at Xikundo village produced 500 toilets, slabs and water pipes, but no houses (Merten 2003). Individuals in key posts in the bureaucracy are regularly implicated in exposures of fraudulent contractors who do not complete houses after first receiving large sums of money, thus forcing the adoption of measures to further bloat the bureaucracy by the employment of additional agents to monitor and pre-empt fraud (Mkhabela 2005). The internal problems of the bureaucracy persistently embarrass Minister Sisulu, despite her eagerness and high expectations about certain senior appointments. Only one year after the appointment of Itumeleng Kotsoane, former Free State housing MEC, as Director-General in the national housing department, his poor performance at a parliamentary inquiry into the maladministration and fraudulent

management of the subsidy system, forced Minister Sisulu to express her shock at her senior staffers' incompetence (Ensor 2006; News24 04-05-2005).

Key to the delivery of houses and services in general is the role of local government personnel. GEAR sought to restructure ("rightsizing") the public service by reducing it from 1.3 million to 1 million, expecting that public sector salary funds could be diverted to social spending (ANC 1997:17). Voluntary severance packages were offered. Pieter le Roux (1997:60) argues an important consideration to bear in mind when rightsizing the civil service is to complement it with a programme to improve management systems and the capacity to deliver. Geoff Budlender, a former director general in the Land Affairs department, says only 700 people are employed nationally by that department and are working on implementing land reform and restitution, whereas a larger staff is needed to speed up land reform (Rose 2002): rightsizing the civil service runs contrary to this imperative. Political economy approaches on welfare states also point to how the delivery of services necessitates the growth of "unproductive labour" (see Gough 1979); formal recognition of social citizenship rights appears to be undermined by a rightsizing policy in the state bureaucracy.

Rightsizing down to 1 million should have occurred by 2004. The annual report of the Department of Provincial and Local Government (2006:7) claim that it has 1.2 million employees: it employs 750 000 in provinces, 230 000 in municipalities, a total of 980 000, and the remaining 220 000 are employed in national departments. Deputy Minister of the Department of Provincial and Local Government (DPLG), Ms NE Hangana, speaks in terms of the department operating with "finite financial resources and a limited human resource base", but the DPLG's budget has grown tremendously: in 2001/2 it was R4.737billion and in 2005/6 it was R15.978billion --- an average annual increase of 34 percent in its allocation, of which it underspent by only 00.1 percent in 2005/6 (DPLG 2006:7, 11, 13). The department's annual report indicates a significant amount of service delivery activities to which its tremendous budget is dispersed, but it appears more needs to be done about increasing the size and skills base of its personnel in order to increase delivery of services. This sector of government is

at the heart of problems of lack of delivery. The lack of skills in local government are a focus of episodic protests. The adjustment of powers since 2003 has meant the scope of tasks which local government structures fulfill has increased and research into the sector claims they are performing less than half of their functions; it is not a problem of the size of their budgets because figures show these have increased (Pressly 2008). A newspaper editorial comment (The Star 26 July 2005:12) on these issues praised Mbeki for admitting that: the lack of skills crippled delivery and affected economic growth; underperformance in municipalities is not due to lack of resources, but because those responsible to oversee service delivery are incompetent and lack capacity and skills; an inability to fill posts hampered service delivery; and, corruption, nepotism and fraud negatively affected service delivery.

Minister Sisulu acknowledged the problem of capacity in the municipalities of major cities as the reason for slow delivery, this necessitated the removal of local government involvement in delivery. Taking back powers from municipalities caused a decline in the number of subsidies approved while blocked projects were unblocked (Merten 2005). In addition, squabbles among local government officials mean they do not approve budgets within a financial year, and provision of free basic services gets delayed (Malefane 2005).

SAHRC researchers acknowledge capacity as an inhibiting factor too, particularly at local government level. It is compounded by lack of departmental integration and communication, the poor synergy between departments at national, provincial and local level, and between different departmental sectors:

> "... [W]ith regard to capacity it is a factor, more especially at local government level, that is where you find capacity problems. And the other thing is that it seems we are not yet integrated, the sectoral departments are not yet integrated. They don't communicate with one another. ... There should be a flow from the national level, to the provincial, to the local level. And then at the provincial and national level, there must be communication between the Department of Land Affairs, the Department of

> Housing, the Department of Education, the Department of Transport. ... And also at local level ... we do have this Integrated Development Programme ... it is a strategic document, but most of the municipalities ... they are just making it like a wish list, it is no longer a strategic document and that is where we are failing. There is no integration of activities. And that is because there is no capacity. ... [W]hen it comes to rural municipalities they don't have capacity because they can't attract skilled labour." (Interview: C Mphephu)

Underspending has sometimes been linked to the capacity of government and the availability of land for low-income housing developments. Underspending by specific departments is an annual problem faced by national government. For the year 2002/3, a total of more than R6-billion was unspent; the figure for the Housing Department was R52-million (Sefara 2003). Provinces need to improve their ability to spend by addressing two issues: recruiting assertive leadership to manage bureaucracies and speeding up the start up time of housing projects. SAHRC researchers elaborate on other dimensions impacting the issue. In fact, different spheres of government emphasise different reasons. Provincial governments report to the SAHRC the main reason for underspending is because most intended beneficiaries are unable to make their expected contribution of R2 479 required by the subsidy system. Local government representatives point to the lack of available land (Interview: C Mphephu).

Minister Fraser-Moleketi acknowledged restructuring the public service was done too mechanically, resulting in the loss of skills (Robinson 2005).The national housing department reports a 30 percent staff shortage; land surveying is one of the key areas with vacancies. A senior employee (Interview: W Odendaal) in the Gauteng Housing Department claims only about seventy percent of its senior posts are filled. In the delivery sub-department of the Gauteng Housing Department, there are five Chief Directorates, but only one of five persons has remained for longer than one year. Other losses were due to resignations. The attrition is compounded by the job pressures as well as persons not having the

appropriate skills. My informant also argues public service salaries may be the reason why professionals cannot be retained; black engineers are in demand in the private sector where salaries are virtually double that of the civil service. My informant claims it is at this senior management level where the issue of capacity is really a problem. Despite this problem, he proudly noted Gauteng province did not underspend on its housing budget.

7.6.5 The urban-rural bias, the availability of land, and housing unrest

Land for urban settlements as well as for rural livelihoods and settlement has been complicated by: the legacy of racially disproportionate ownership of land; Constitutional protection of property rights; an apparent lack of political will by government to use expropriation measures in both rural and peri-urban areas; a teleological view of capitalist development and urbanisation among both conservative and Marxist analysts and advisors to government; and inappropriate policies to deal with rural land demand and poverty accompanied by a bias toward urban economic development (Hall & Ntsebeza 2007). These issues impact in different ways to decelerate delivery of low-income housing.

It appears that the very poor are not benefiting from the housing policy. CASE (Pigou et al 1998:56-60) reported 6 percent of people felt in the year prior to the study government had not done anything to provide housing in their area. The response of people in rural areas showed the proportion here who believed the government kept its promise to deliver houses is lower than the proportion of urban respondents who believed the same. Arguably, this situation echoes Servaas van der Berg's (1998:254) concern about a bias towards delivery in urban areas because this is where it is easier to mobilise opposition to government on non-delivery, as may have been the case in the land occupation in Bredell on the East Rand of Gauteng Province during June/July of 2001. Ironically, the Housing Minister, at one point, stated greater attention will be given to rural housing provision. In January 2000, government announced a cut in provincial budgets for urban areas, thus allowing it to focus on rural areas and

poorer provinces (SAIRR 2000:165). Reportedly, this shift favouring rural provinces in terms of housing allocations was a way of promoting development there (Forrest 2001). The shift seems inconsistent since statistics (Table 7.4) for the years prior thereto show an increasing trend in the percentage of urban informal dwellings compared to the stable percentage of rural informal dwellings. The promise of a rural orientation is perplexing too, given the pressure on delivery of services in the urban areas when one observes the trends in population growth and particularly rapid urbanisation. SA's population is growing at a rate of 2.1% but the urban population is growing at a rate of 3.2% (Fast Facts no.8 2000:1-2).

TABLE 7.4: Percentages of urban and rural dwellings classified as informal

	1995	1996	1997	1998	1999
Informal dwellings					
urban	9%	16%	15%	14%	17%
non-urban	5%	5%	5%	5%	6%

(SAIRR 2001:164; Statistics SA October Household Survey 1999:38)

The Bredell land occupation and eviction episode, which was legally challenged by white-owned company, Groengras Eindomme, highlighted another difficulty encountering housing delivery --- the legacy of decades of land dispossession and privileged white private ownership of land in peri-urban areas. The Ekurhuleni metropolitan district the council has a housing backlog of 250 000 houses and was sitting with a housing budget of R341 million, but there is no land for development in the area. Most land is owned by private developers, meaning most privately-owned land is white-owned (Xundu 2001a). Ekurhuleni apparently has the highest number of squatters in all Gauteng municipalities because people are drawn to possible work opportunities on gold mines and industries in this municipality. By December of 2001, some months after the Bredell episode, government announced a policy shift favouring shelter provision in urban provinces as well as rapid land release to urban shack dwellers (Forrest 2001). Cabinet agreed on a new funding formula entailing weighting based on

the number of homeless people, people living in shacks, backyards, rooms and flats, consequently favouring provinces with high urbanisation ratios.

Housing department officials (Interview: W Odendaal) argue the issue is further clouded by the persistence of an apartheid era phenomenon --- the temporary migration of a single member of a rural household, usually male, to urban areas for employment opportunities. These countless individuals remain committed to the rural household with no plans to eventually relocate the whole or 'core' family to the urban area. That household may have accessed a subsidy for a house in the rural area, but the migrating member may also seek another full subsidy for accommodation required in the urban area. Thus, the provincial housing departments suspect that there are thousands of urban area subsidy applications ("about 25 percent") for factually single member migrant households (Interview: W Odendaal). The provincial allocation formula, the formula for calculating the percentage of the national housing allocation that goes to the respective provinces, may not be addressing this phenomenon. The opinion of a SAHRC housing researcher (Interview: C Mphephu) is it would be wiser to devote more resources to urban areas housing provision, because in rural areas it is "easier" and cheaper to build one's own house, and there are no standard patterns as in urban areas. He finds it perplexing that considerable housing funds are devoted to rural areas when there are no employment opportunities there.

Land occupations in proximity to major urban centres, besides occasional protest marches, may be the most visible signal of what the president of the Institute of Housing in South Africa emotively calls a "land issue time bomb" (Jenvey 2001). Pan-Africanist scholar Julian Kunnie (2000:115) sympathises with and justifies land occupations arguing only a longer sense of historical recollection unravels the problem of landlessness, squatting and land invasion:

> "The glaring question that many commentators on the South Africa situation omit to openly recognize is that *all* lands acquired by Europeans in Africa occurred through illegal and discriminatory means. ... It is revealing to record the new government's putative

> continuation of the policy of forcing “squatters” or “informal settlers” - people who are determined to reclaim their ancestral lands - to move. In June 1994, several hundred homeless Black people who attempted to occupy their lands, stolen from them by white “developers”, were forced off by police authorities.”

The ANC government and its political rivals maintain different perspectives on the issue of periodising land dispossession and correcting it. Similar to Kunnie (2000), the Pan Africanist Congress (see Centre for Development & Enterprise 2001:3), and the LPM’s document, *The Landless People’s Charter*, also express the idea of land dispossession reaching back three hundred years. The latter sentiments overlap with the sense of land theft felt by many blacks, although they do not specify any historical periodisation of such theft. Nevertheless, the sentiment is an omen of how easily people may be mobilised for land occupations. The PAC’s land policy document published during the political transition negotiations favoured expropriation of, without compensation, land gained and used in a “colonial and exploitative context” in opposition to market based “willing-buyer, willing-seller” policies (PAC 1992:2-4, 8 13; Payze 1994:5-6). The document’s agrarian socialism rhetoric speaks of resettling families on farms (PAC 1992:16), despite the fact of the economy’s urban base and the pull of many Black people to urban employment opportunities. The Centre for Development and Enterprise (CDE 2005:5) reports a survey of 3 500 South Africans of all races in 2004 shows 72.1 percent of black respondents agree with the statement: “All the land whites own, they stole from blacks.” In February 2005, President Thabo Mbeki reiterated that the ANC knowingly entered into the historic land compromise and abandoned claims to land lost by violent colonial dispossession prior to 1913; it would continue to urge people to accept this was a price to pay for ending racial domination and bringing about democracy, but both black and white South Africans need to be cognisant of each other’s needs in order for their mutual success (CDE 2005:30-1). The Pan Africanist ideology and land claims, whether used by the PAC or organisations reviving these (such as the LPM), while useful to the popular mobilisation (see van Zyl Slabbert 1992:47) of masses frustrated with the slow pace of land reform by organisations

using its rhetoric, nevertheless, has its own problems: it can only prompt chaotic land grabs on land not suitable for residential housing (especially if the land is dolomitic); it may prompt occupation of land more suited for crop cultivation; and, it may not be carefully considerate of the potential for explosive inter-ethnic conflict where different black population groups claim the same land while one of the groups bases its claim on ancestral settlement factors.

During a two week period in June of 2001, people in Cape Town's urban metropolis, frustrated by slow housing delivery, resorted to six spontaneous land occupations. The pattern, normally a form of protest statements, has been that a crowd of homeless occupy a piece of vacant land for a brief period and erect shacks (although these structures may be symbolically intended). Then, the council moves in and demolishes the structures. Sometimes communities defiantly rebuild the shacks. The overcrowded density of informal settlements in Cape Town and the impatience of the inhabitants can only prompt land invasions where shacks are defiantly erected (Pressley 2002; Business Day, 7 August 2001). The Centre for Development and Enterprise (2001:3) reports fifty land invasions between 1994-2001, mostly in urban areas, and the courts being called upon to grant eviction orders. Understandably, the frequent occurrences of land invasions prompt comparisons with the situation raging in Zimbabwe since the state sanctioned land invasions in 2000. However, Minister Mthembi-Mahanyele says the SA government view is the land invasions are not parallel to those in Zimbabwe because in that case people want land for agricultural purposes, whereas in SA the land invasions are close to cities because people sought employment opportunities there (CDE 2001:1, 4).

SAHRC housing researchers (Interview: C Mphephu) say the land on the urban fringes, which is privately owned, is very expensive and constrains government resources when it is purchased for low-income housing developments. Municipalities have not resorted to expropriation measures authorised in the *Housing Act of 1997* at Section 9(3) in order to put in place a housing programme. Acquiring land for housing in both urban and rural areas is inextricably tied to a land reform program spearheaded by another government

department, the Department of Land Affairs. Although the housing minister insists the two departments have a close working relationship (RSA, Debates: Index 1996:1932), the perception among LPM activists (Interview: M Kupheka) is there needs to be coordination, between Land Affairs and Housing, in their policy priorities, activities, and use of their respective budgets:

> "... they don't want to negotiate, they don't want to expropriate, they don't want to buy. I don't know why! ... Department of Housing will tell you: "We don't have land!", they are holding the money on their chest ... now they are waiting for Department of Land Affairs to buy the land. ... The left hand doesn't know what the right hand is doing!"

This apparent lack of coordination between these two departments may be exacerbating a bias towards rural land reform, and is lamentably poorly informed about the nature and extent of rural land demand, as opposed to the extent of urban land demand. A Centre for Development and Enterprise (2005) study of land reform policy reports acquiring land for both rural and urban needs as part of the land reform program is a complicated process. However, the report notes the prevailing land policy emphasises righting the wrongs of the past and creating a class of successful black commercial farmers, whereas the urbanisation dynamic is neglected with trends indicating more than 70 percent of the total national population will be urbanised by 2014, and more attention should be given to the fact that land demand by blacks is mostly in urban and peri-urban areas because of job opportunities, and not for farming (CDE 2005:8, 13, 14, 18). The thrust of the report is that: white-owned farming land should not be expropriated because it repels investment and hurts commercial agriculture. Figures show small numbers of blacks are interested in rural livelihoods: only 9 percent of black people who are not farmers have clear farming aspirations; 15 percent of farmworkers aspire to farm and 2 percent of Africans put rural farming as a priority; 57 percent cite unemployment, followed by urban land and housing issues (35 percent), as their greatest concerns (Monare 2005). From this perspective, the consequences of a lack of urban land supply has been the growth of urban informal settlements, illegal land encroachments, invasions and

occupations, which pose a threat to law and order and investor perceptions of stability. For CDE researcher, Ann Bernstein (2005), SA is no longer a predominantly rural society: agriculture's contribution to gross domestic product has declined from 23 percent in 1920 to 3,4 percent in 2002. She disputes the potential for commercial agriculture to address unemployment, poverty, or inequality on a significant scale. Furthermore, fewer blacks want to farm than is commonly supposed, and most blacks view jobs and housing in urban areas as overwhelmingly more important than rural land. Consequently, urban and peri-urban areas land demand is more important than rural land reform.

James (2001) also argues post-apartheid land reform policy is misdirected because of continuity with apartheid discourse, which saw Africans as having their rightful dwelling in rural areas engaged in agricultural livelihoods. The land restitution aspect of correcting apartheid wrongs sees the land issue as exclusively a rural one because of little understanding of how many African households are organised between different generations seeking urban income opportunities to make remittances to rural dependents who hope to recreate a life based on a rural value system while enjoying urban type amenities.

Even if the claim of an urban bias is substantiated, as well as argued to be a necessary policy priority, it has to deal with the problem of relatively recent migrants to urban areas. The latter have subsequent housing demands, consequently competing with longstanding urban dwellers, such as those living in backyard shacks ('backyarders') and other types of structures, which are tiny ["hokkies"], unsanitary, pest-ridden hovels similar to any informal settlement (see Oliver 2005). Thousands of backyarders in the metropolises who have been on waiting lists reaching back into the apartheid era (Merten 2005c), have had their patience and demand for housing tested too, and find housing programmes have sidelined them in favour of more recent arrivals in the city who settle in informal settlements. For state officials all these constituencies are competing for service delivery from finite resources:

> ""There will always be contestation over scarce resources ... We will only deal with one project at a time", said Minister of Housing Lindiwe Sisulu. ... ." (Merten 2005c)

Rival perceptions of the urban bias are bound to complicate the priorities and policy choices which government departments decide on. The LPM's *Landless People's Charter* (2001) sees priorities differently:

> "Poverty remains greatest in the rural areas, where 70% of South Africa's poor live, including a disproportionate number of women, children and elderly people, yet rural development receives lower priority than urban development."

Making land available for housing is linked to government's land reform policy, where it is claimed there has been a rural bias. In the aftermath of the '*Modderklip*' Supreme Court and Constitutional Court hearings of 2005, which ruled the state cannot keep evicting the homeless only to coerce them to wander off and set up illegal settlements on another piece of privately-owned land where they were destined to suffer the same fate, Edward Lahiff of the Programme for Land and Agrarian Studies (PLAAS) argues government's land reform policy has had a rural bias, and, consequently, ignored demand for land for housing in urban areas, effectively slowing down urban low-income housing development projects, consequently a radical shift in policy must deal with urban land reform for urban and peri-urban settlement (Louw & Terreblanche 2005).

Obtaining urban land for housing may be an area of concern. However, actions to deal with the concern must also address the heritage of laws which permitted society's wealthier classes to control larger pieces of urban residential land. If this privilege continues, it only exacerbates the problem. An estate agent who deals with the housing needs of the wealthier segment of homeowners in society, or, the "upper end of the market", where houses are built on large pieces of urban land, argues local councils, and the housing minister, must lower the subdivision sizes of properties, for instance, reducing the sub-division limit from

4000m^2 to 1000m^2 would mean providing housing land for aspiring lower-to-middle-income families:

> "It would level the playing field in terms of the haves and have-nots in these exclusive areas, and integrate them into well-rounded South African communities."
>
> "I'm not advocating the lowering of standards of the area and building sprawling low-cost developments. I'm merely saying that people working hard to improve their prospects - such as policemen, nurses, teachers - should have the opportunity to move into so-called aspirational areas, without having to win the lottery to do so."
>
> "It would move the housing process on in a logical fashion: people living in vulnerable accommodation such as informal settlements could move to low-cost houses. People currently living in low-cost developments could upgrade into a mixed income area." (Smith 2005)

The political transition protected the private property rights of the country's landowners, but the reform process of transferring land from white landowners to black communities through the market-based "willing buyer, willing seller" process is very slow. Dissenters are pressurising government to shift to an expropriation policy whereby white farms would be expropriated at below market price; Anne Bernstein of the Center for Development Enterprise says:

> "Land issues are controversial in SA. Many black people ask why land reform is going so slowly; why whites don't understand that the constitutional agreement to respect property rights was a painful sacrifice." (Bernstein 2005)

Thus government was pushed to a call for a national land summit. Nevertheless, there remains despondency about it. On the eve of the summit it was apparent to many observers (Ancer & Hooper-Box 2005) that government is still unlikely to adopt a policy change to speed up land reform. The LPM and a black farmers'

association called for an end to the “willing buyer, willing seller” approach in ways that revealed a rural bias about the issue:

> ““We want land to be given to us. That will be a solution. I will never fight again if I am given my own land,” LPM activist Mangaliso Kupheka says.”
>
> “National African Farmer’s Union president Motsepe Matlala says ... land transfer has been too slow with less than 4% of the total land in the hands of black farmers.” (Ancer & Hooper-Box 2005)

The ANC itself began urging for a land summit to deal with: the legacy of the *Native Land Act of 1913*; land restitution; the financing of land restitution; the weaknesses of adhering to the World Bank’s prescribed “willing buyer, willing seller” model; and a reform of the land tenure system to improve the possibilities for black people’s participation in agriculture (Brown 2005). Eventually, the Department of Land Affairs and Department of Agriculture convened a Land Summit in Johannesburg in July 2005. Their report (see Department of Agriculture 2005) noted the summit took place in the fiftieth year of the *Freedom Charter* and acknowledged impetus for the summit came mainly from civil society organisations working on agrarian and land reform. Outside the venue of the five day summit, the LPM staged protests complaining about their marginalisation from the process (Musgrave 2005). The summit’s ‘recommendations and resolutions’ (Department of Agriculture 2005:31)indicate its notion of reform dealt with both rural and urban reform: the Welcome Address of Mbazima Shilowa, Premier of the most urbanised province, Gauteng, reminded the participants about the need for land for urban housing. However, events subsequent to the summit indicate more action would be taken about rural land reform through redistribution. The summit resolved: to shift from the “willing buyer, willing seller” model to an expropriation strategy, which is legal in terms of the provisions of *s* 25 of the Constitution, which also allows for compensation below market value; and, selling land in terms of the claimed market value was open to corruption and fraudulent inflated calculations of land value (Department of Agriculture 2005:9). Talk of expropriation raised the fears

of many white landowners, since the land reform target entailed the redistribution of 30 percent of white owned land by 2014. Land Affairs Minister, Thoko Didiza, cautioned such concerns, saying expropriation would be only one of other measures government would use (Hartley 2005a). In September 2005 the Commission on Restitution of Land Rights announced it would expropriate the farm of a North West Province farmer, Hannes Visser, who had rejected government's final offer on his farm (Mabuza 2005). In November 2005 the Land Claims Commission announced its plans to commence expropriation measures against fifty to sixty white farmers in KwaZulu-Natal (Hofstatter 2005). These moves for the restitution of rural land for agricultural use, however, still demonstrate the problem of a land shortage for housing in urban and peri-urban areas is not being urgently addressed, despite the fact that the *Housing Act of 1997* allows municipalities to do this at Section 9 (3). The summit's outcomes still could not satisfy organisations to the left of the ANC, noted for being historically critical of its *Freedom Charter*, and for persistently mobilising communities against aspects of the ANC government's policies: the PAC urged the property clause in the Constitution be reviewed because it stalled land reform; AZAPO mooted the state should own all land; the LPM wanted a moratorium on all evictions (Department of Agriculture 2005:40, 42, 47).

Although land reform may be a desirable initiative to jumpstart more low-income housing development in the peri-urban areas, the resort to expropriation nevertheless does have possible negative consequences for aspects of macro-economic policy. GEAR hoped to attract foreign investment, however, Wisconsin University economist Daniel Bromley (2007) points out, in the era of globalisation, often the successful attraction of foreign investment is linked to whether the local environment "respects" the institution of private property.

7.6.6 The Constitution: Housing Rights as entitlements and State Obligations

Realising the right to housing is more than quantifying the delivery of products. Disclosures of the extent of poor products supports a need for interpretive and

critical studies of people's understanding of various rights entitled to them in a transformed political order and their perspectives on services that ought to be rendered by government to realise their rights. This is imperative, rather than reliance solely on quantitative data indicators of the advances made.

Although there is a qualified constitutional guarantee to the right to housing, and its justiciable nature mean complainants may appeal to the courts to have this right upheld, events in the '*Grootboom'* land occupation at Wallacedene may be the most significant signpost to the new social movements that emerged later that developments on the right to housing are not in order --- some people feel rights are something which can be immediately demanded of the state but the Constitutional Court justices' interpretation of the law does not agree with that absolute entitlement view. Events in the '*Grootboom*' incident question the efficacy of both the inclusion of housing rights in the Bill of Rights and the role of a Constitutional Court in the configuration which promises to nurture a culture of rights realisation. The Constitutional Court ruling that people simply could not demand housing, or any other socio-economic right, from the state and claims that the Constitutional Court acted squeamishly in evaluating the state's use of its resources (Fast Facts no.3 2001:2; Scott & Alston 2000; Seleoane 2001:98-103; Steinberg 2002) suggest there is a complex discourse on notions of "adequate housing", "progressive realization" and "available resources".

Liebenberg (1998:(41)37) has given attention to the issue of the meaning of "adequate" and refers to the case of *B v Minister of Correctional Services* (1977), which dealt with access to adequate health care, where Justice Brand was of the view that budgetary factors --- what the state can afford --- play a role in determining the nature of adequate medical treatment. In effect, there is a certain threshold of adequacy and the state need not spend anything more than that when delivering a service. This means the housing products which result from the state's budget allocation can be defended as "adequate", despite the problems of quality and standards I discussed earlier as well as their inability to realise certain sociological concerns, such as, co-option and value appreciation (Agnew 1981), the construction of a life at "home" (Rakoff 1977; Somerville

1997) and a physical structure with private areas (Saunders & Williams 1988). Liebenberg does add that state obligation to this qualitative aspect of the right to housing is continuous (Liebenberg 1988:[41]39). So, it could be argued to beneficiaries of the housing programme that they would have to accept the first step towards their realisation of the right may be the provision of the rudiments of a house like a serviced plot, but, improvements in the quality of the right would have to follow in time. The obligation on the state to the "progressive realization"of socio-economic rights is also taken directly from the *International Convention on Economic, Social and Cultural Rights* (ICESCR) where it was accepted the realisation of such rights cannot be achieved in a short period of time, but states signing the ICESCR should demonstrate that reasonable measures were being taken towards the realisation of the right and there were no deliberately retrogressive measures about this (Liebenberg 1988:[41]39-40). Liebenberg (1988:[41]41) also points out the term "within its available resources" is an internal limitation on the realisation of a right which the state may use in defence of any dissatisfaction with its progress; in some instances this resource may be fiscal or a budgetary constraint, as was the situation in the '*Soobramoney*' case, where the provincial hospitals could prove they had a rational system of using their available resources.

Following the '*Grootboom*' incident and the phenomenon of episodic evictions, among civil society groups and the people they are involved with, there is still a sense of puzzlement about the meaning of the Constitution and just what state obligations are in terms of the right of access to adequate housing. One LPM organiser (Interview: M Kupheka) expresses such a sense of puzzlement thus:

> "... everybody in South Africa has got the right to housing ... to have a shelter above his head. It surprises us sometimes you find that the authorities are demolishing the houses of people and just dumping them on the streets ... without a shelter above their heads. And now you see some things which are not supposed to be happening in South Africa."

Nonetheless, there is no sense among LPM members that the Constitutional clause concerning housing rights needs to be amended in any way to give more direction to the state. Yet, indeed there is a sense of entitlement (Interview: M Kupheka), perhaps also individual entitlement, to a right on demand:

> "... even the government knows that it has to give the houses to the people ... we cannot say that that clause has to be taken out of the Constitution. But now, is the government doing what they've written in the Constitution? That's where the problem is! They are not doing it! ... If the Constitution says that I've got the right to a house, the government must build a house for me. ... We feel that the government must do what is in the Constitution!"

Worsening poverty, unemployment levels, and the incapacitation of many households from making contributions to building their houses following the economic policies after 1996 has prompted extreme conclusions about how to remedy this. Dealing with the issue that government policy expected poor households to make some financial contribution, a spokesperson for the South African National Nongovernmental Organisations Coalition (SANGOCO), Nhlanhla Ndlovu (in Radebe 2001a), describes government housing policy as "an onslaught on the poor" and asserts that poor people are entitled to free housing from the government:

> "the government should find mechanisms to get the rich to contribute more to low cost housing rather than charging the poor."

Ndlovu's views are obviously far off from what the Constitution's authors intended. A clear extremist redistributionist line of thinking underlies his thinking on what the government must do in order that people realise the right to housing, and is probably indicative of the persuasions of only a small number of people. Nevertheless, they are people who are located in prominent civil society organisations that can have significant impact on shaping the discourse of what rights mean as well as of the obligations of state and society towards their

realisation, and they are individuals who can influence the spontaneous or even organised protest actions of homeless communities.

7.7 Conclusion

Prior to 1994 the white minority governments provided limited housing for blacks although it was not framed in the discourse of rights. Despite the provision of some housing stock, shacks, squatter camps, and informal settlements for blacks were an inescapable outgrowth of the housing policies because of an official ambiguity about accepting the urban migration of particularly the African (or Black) proletariat into the economic zones settled and controlled by 'white' South Africa. Consequently, the right to housing became an important issue around which mass opposition to white minority rule was organised. Black civil society groups formulated their own notions of "adequate housing", when claiming the right to housing, however, the phenomenon of informal types of shelter phenomena is an enduring issue, still mostly impacting the Black segment of SA society, and is part of the right to housing and housing backlog problems which the ANC government has to deal with in more urgent and conclusive fashion, regardless of its arguments about finite resources.

Prior to 1976 the state was the main provider of housing for blacks. The NP's attempts at reforms after the 1976 uprisings created space for the emergence of market-led approaches emphasising the private sector's leading role as a provider of housing for the low-income market, often based on the site-and service model. This approach dominates the post-1994 era of rights based housing policy. In fact, formal recognition of socio-economic rights in the Constitution takes place against the backdrop and important challenge of a global hegemony of neo-liberal economic policies which argue for reductions in state social spending. This is in tension with the post-apartheid situation in SA where very large numbers of homeless people or households are demanding almost immediate realisation of the constitutional recognition of the right of access to adequate housing, effectively demanding a significant proportion of

state resources be devoted to realising that right, and are increasingly becoming critical of the dominant notion of “adequate housing”. This situation vindicates concerns of those who opposed the inclusion of such socio-economic rights in the Bill of Rights on grounds that, unlike first generation rights, their realisation demands positive action or an outlay of state resources. It appears to most critics certain reductions on state social spending, and the emphasis on market approaches, is at the root of housing problems which have surfaced since 1994.

Housing, a social citizenship right, has qualitative dimensions to it, but, the state is still the dominant force shaping the discourse on the right of access to adequate housing. Civil society forces and their alternative perspectives remain marginalised in this discourse. It may be only through violent housing protest first, that civil society perspectives can initiate, in Foucaultian terms, an “insurrection of subjugated knowledges” and reshape the discourse on the right of access to adequate housing.

These developments have raised a number of questions, such as, can the commodification process, or dependence on a state-subsidy and market provision of housing continue? Is there really a fiscal constraint on the South African state, or is it capable of increasing its resources for social spending and have little impact on the capital accumulation process? Is there really a rural versus urban bias in housing delivery, and what are its dynamics? Can housing rights for the poor be progressively realised while old land ownership or property rights are still sanctioned? Is poor delivery on housing contributing to any form or measure of political alienation, which would negatively impact the institutions of the fledgling democracy? Is the nature of the Constitution such that it is too weak to protect the right to housing? I address such questions in the subsequent two chapters, first, in a detailed study of post-1994 housing discourse in Gauteng Province, and, then in an overall analysis of the discourses on housing.