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A F R I C A N S T U D I E S I N S T I T U T E

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CAPITAL ACCUMULATION AND THE ALLOCATION OF RESIDENTIAL BUILDINGS IN AFRICAN TOWNSHIPS ON THE WITWATERSRAND, 1980-1985.

A seemingly interminable shortage of "adequate" shelter haunts the lives of a substantial number of residents of African townships. The inadequate supply of residential buildings has evoked numerous attempts by "radical" intellectuals to analyse the housing question (Bloch, 1982; Labour Research Committee, 1983b; Mare, 1980a; McCarthy and Smit, 1984; Ratcliffe, 1980; Wilkinson, 1980; 1981a; 1981b). These writings are characterised by a notion of the necessity for state and capital to ensure the reproduction of labour power. They are marked by a paucity of empirical detail. Moreover, a significant omission in these analyses is any consideration of the fact that for construction and financial firms the provision of residential buildings is a way of accumulating capital.

Under conditions of capitalist commodity production, capital accumulation takes place in all sectors. Residential buildings, including those in African townships, are constructed according to certain financial imperatives: the cost of machinery, tools, materials and labour power. Under the influence of market forces private firms sell the completed dwellings at a given price. In the course of these activities these firms appropriate a certain sum of capital in the form of profit.

This paper investigates the activities involved in the accumulation of capital through construction of dwellings in Witwatersrand African townships. It attempts to explain the manner in which building construction, development and financial firms conduct their business, and to crystallise the effects of these business activities on the delivery of residential buildings in the townships. The Witwatersrand was chosen as the area of study because a relatively large amount of building activity occurs there. During 1983 33% of all building activity was concentrated in the Pretoria-Witwatersrand-Vaal (PWV) area. With the exception of the Western Cape (14%) the remaining activity was evenly scattered in small pockets over the rest of the country (Business and Marketing Intelligence, 1984: viii). A cursory examination indicates that residential buildings in African townships on the Witwatersrand are a relatively major field of capital accumulation. Since 1980 a relatively large amount of capital has turned over in the construction and allocation by private capital of such buildings (see Table 1).[1]

In addition to private investments, state contracts appear to be equally significant as an area of accumulation (see Table 2). The creation of a living environment requires more than the simple construction of a house. Accordingly state investment has not been confined to contracts for the construction of dwellings and installation of site services, but has included the provision of township infrastructure and trading services. This has been concentrated mainly in the electrification and upgrading of Soweto. Upgrading has also taken place in other African townships - though not on the scale of that undertaken in Soweto (Aubert and Bristow, 1984: 25; 48; 52; 67; 86; 94; Boya, 1984c; 1984d; SAIRR, 1984: 272). By 1984 R424 million had been invested in the electrification and upgrading of these townships, and it is expected that by 1990 an additional R440 million will have been spent (see table 3). The enormity of the state's involvement can hardly be ignored as a significant feature in the accumulation of capital in this field. For this reason it requires closer investigation.

State Housing Policy and Accumulation.

Variations in government housing policy have had an uneven impact on the quantity of capital accumulated in the area of African residential buildings. Much capital was accumulated in the state subsidised building programmes of the 1950s and 1960s. This resulted in the state being the single largest landlord in the urban townships - by 1979 state housing stock in the prescribed areas was estimated to total 468 000 units (Riekert Commission, 1979). Between 1960 and 1969 the state also invested

R31,41 million in the construction of 67 009 houses in the homelands (SAIRR, 1969: 143). This was in line with the *apartheid* policy that urban townships were places of temporary sojourn for Africans. In addition to government loans the main sources of finance for these programmes were profits from beer sales and annual contributions from employers in terms of the Bantu Services Levy Act (1952).

During the late 1960s and early 1970s the construction of houses in the homelands accelerated: some 33 169 units were built and R85,5 million was invested by the state in the development of homeland towns (SAIRR, 1980: 406). At the same time state policy limited the provision of residential buildings for Africans living in the prescribed areas.[2] In 1970 3703, in 1971 1089 and in 1972 only 954 units were built in "white" South Africa (SAIRR, 1976: 84). This decline assonated with the policy of relocating to the bantustans the growing throng of unemployed and dispossessed rural and urban workers, itself a likely consequence of the rapid inflow of technology and capital goods to both the manufacturing and agricultural sectors (Mare, 1980b).

Since the late 1970s the state has once again provided relatively more capital for the development of site infrastructure and residential accommodation in the prescribed areas.[3] Between 1977 and 1982 31 507 houses were provided by the government for Africans in "white" South Africa, at a total cost of R214,89 million (SAIRR, 1984: 268). Since 1983 annual state spending on Witwatersrand township houses, hostels, high rise flats (a recent addition to the repertoire of African residential buildings) and site infrastructure, has averaged at R73,8 million per annum (see table 2).

The relatively large scale involvement of the central state in financing the provision of residences for African townships has channeled the accumulation process through specific organisational structures. Until 1979 a Black housing board[4] - under the auspices of the department of Co-operation and Development - had the power to develop various housing schemes in the townships. Since then the department of Community Development, through the National Housing Commission (NHC), has assumed this role (Morris, 1981: 114). Once the NHC has approved a building project it lends the necessary funds to the local government authority from the National Housing Fund (NHF). The latter then enter into contracts with the building construction companies for the construction of the houses. Money granted by the NHF to the local authorities is in the form of a loan, plus interest which varies from 3,5% to 9,25 % (Labour Research Committee, 1983a: 174). This is decidedly lower than current building society interest rates (Interview 21). It is also lower than the inflation rate, which stood at 11% for 1983 (SAIRR, 1984: 122) and is expected to rise rapidly in the future. It might appear from this that the state is in fact subsidising the difference between the rate of interest it charges on its loans and the inflation rate. Monthly rentals, however, continue for an interminable period and it is likely that at some future juncture a sum of money far in excess of the total loan will be redeemed from the township residents. In the short term, however, the advance of state loans remains a sine qua non for private accumulation in rented African accommodation.

In addition to an increase in the scale of government sponsored residential construction programmes, a commitment by the state to encourage greater private sector and employer involvement in the provision of African housing (SAIRR, 1983: 290-291), has also had a positive impact on accumulation. In the wake of the Soweto upheaval in 1976, and following the recommendations of the Riekert Commission in 1979 (Morris, 1981: 112) and the Viljoen Committee report in 1982, certain policy changes were introduced. The most significant of these changes are the introduction of homeownership under 99 year leasehold, the sale of state housing stock at special discount rates, the lifting of restrictions on

the operations of private development companies in the townships and the implementation of self help schemes.[5]

The right of 99 year leasehold makes possible a long term tenure of land to Africans with permanent urban residential rights. An amendment to the Financial Institutions Act (in 1978) empowers building societies to advance loans directly to African leaseholders (SAIRR, 1979: 328). The amount of capital that could be accumulated on the 99 year leasehold is not insignificant - in Daveyton alone there are 10 841 stands available for purchase under the leasehold scheme, valued at R4,95 million (Boya, 1984a). The commencement of the government's major house selling programme in July 1983, has made an additional 350 000 dwellings available for occupancy under the leasehold provisions (SAIRR,1984: 270). Besides building societies, land surveyors stand to accumulate R1,6 million from the 23 000 sites on the Witwatersrand which require surveying before they can be made available for leasehold (Boya, 1984b). By 1988 it is estimated that this figure will have grown to R7,1 million (Boya, 1984e). Furthermore R28 million has been set aside by the state to complete the surveying of all potential 99 year leasehold sites within five years (Boya, 1984f).

The terms of the leasehold permit the acquisition of township stands by private sector developers and construction firms. This is a pre requisite for the fairly large amounts of capital which are being turned over in the private market (see Table 1). Homeownership rights under the leasehold also gives those Africans able to purchase and concentrate housing in their own hands the opportunity to accumulate capital by emerging as a definite group of private landlords (Mabin and Parnell, 1983: 156). The relatively cheap prices on the recently introduced house selling programme, and the application of the leasehold provisions to the even cheaper "self help" houses, is likely to facilitate this process. In fact, by giving those who are unable to afford the price of conventionally built houses the opportunity of constructing or supervising the construction of houses to "lower building specifications", state policy has opened up further territory for the accumulation of capital by small time builders, as well as by those firms involved in the building materials industry.

The accumulation of capital in the African housing market has taken place not merely within the limitations of central government policy. It has also been shaped by local government functions. Local authority housing functions have been transformed over time. In the 50s and 60s some local authorities were directly involved in the accumulation process: they actually built the houses. For instance between 1948 and 1960, 40 682 houses as well as many schools, administration blocks, clinics and beer halls were built in Soweto by the Johannesburg City Council's housing division. Similarly between 1957 and 1960 5115 houses and hostels for 1576 people were erected in Kwa Mashu, Durban, by the Durban corporation. By 1967 1200 houses and 3700 hostel beds had been provided in the newly established township of Sebokeng in the Vaal Triangle (Morris, 1981: 60-88). In terms of the Black Affairs Administration Act of 1971 these functions were taken over from the local authorities by the administration boards. During the period 1970 to 1980 the boards possessed a near monopoly over these and other powers. They also decided who was eligible for housing on the basis of qualification to be in an urban area (Urban Foundation, 1983: 3). In certain instances the boards had the power to determine rentals and service charges, and their employees, the township managers, were responsible for collecting these rents and for issuing lodger permits.

The period after the 1976 Soweto upheaval has witnessed a significant transformation of these functions. Local arms of the central government no longer construct or manage the building of dwellings. Recent legislative changes have transformed the administration boards into develop-

ment boards. In their new role the boards continue to act as development agents for new land, for bulk and link infrastructure, and for two types of housing: low cost state financed housing projects and hostels for migrant workers. As agents of the state they remain the owners of state land and state housing stock. In the procedure of home ownership acquisition they process the 99 year leasehold applications. The actual building process is undertaken by private construction firms, while development companies organise the subcontracts for the installation of site infrastructure and the erection of the superstructures.

The post 1976 period has also witnessed the gradual devolution of other local authority housing functions to a new third tier of government in the prescribed areas. The 1977 Community Councils Act gave community councils the responsibility to allocate and administer the letting of houses - subject to the approval of the minister of Plural Relations and Development. In contrast, the Black Local Authorities Act of 1982 automatically devolved typical local government functions on the new town councils, established in November-December 1983. The town councils have the power to allocate sites for private sector development companies, and state funded houses to township residents. In conjunction with the development boards, they also have some power, in contracting for the provision of services and the building of dwellings from state funds (Bekker and Humphries, 1985 : 90; 112; 115).

The granting of these housing functions to the local councils appears to reflect the *leitmotiv* of "improving the quality of life" for urban Africans - and therefore to have some support in the Botha administration. Many of the development board bureaucrats who are decidedly paternalistic towards those they perceive as their wards, oppose the devolution of these powers to the councils. The prospect of losing some of their traditional functions to the community councils led to widespread opposition from the boards to the Community Councils Act (Bekker and Humphries, 1985: 100). The relationship between the boards and the new councils is then, not surprisingly, characterised by conflict. This conflict could have averse effects on the accumulation of capital in the African residential building industry as there may be no clearly defined local authority function which private business can familiarise itself with.

Local authority housing functions are not unaffected by the explosive political situation in the townships. Cut off as they are from popular support[6] local councils are particularly vulnerable to the violent events currently taking place in the townships. In recent months popular outbursts of violence have led to the demise of many councils - none exist in the strife torn Eastern Cape townships as councillors, fearing for their lives, have disappeared into hiding. Although the situation on the Witwatersrand has not reached this stage, several councils there have been hamstrung by heightened social struggles being waged around them. As a result some long term capital development projects have had to be shelved and essential services such as refuse and night soil removal have been disrupted in some townships (Sunday Tribune, 21/7/85). All this bodes ill for the continuation of accumulation in residential accommodation in these areas. The building and allocation of dwellings can hardly be pursued with confidence and vigour, under such conditions.

Local government housing functions provide an immediate framework within which capital is directly accumulated through a complex of private business practices. In addition to liasing with local agents of government, private business also provides houses directly to those African breadwinners who desire and can afford home ownership. As state employees the majority of these are aided through a government housing subsidy (Interviews 12 and 23). Building societies provide a large proportion of loans to cover the cost of construction. By 1982 1324 bonds under the 99 year leasehold system were registered with all building societies (United Building Society, 1982). Since 1982 this figure has grown rapidly

- a fact borne out by the number of new houses sold in African townships on the Witwatersrand (see Table 1) and the number of sales of state owned housing units. By December 1984 there were a total of 23 311 registered 99 year leaseholds (including 14 727 under the sale of state houses) (SAIRR, 1980 - 1984; Interview 20).

In attempting to build and sell dwellings, businesses are faced by numerous obstacles. These are not restricted to the abovementioned bureaucratic structures. Cash-flow problems and consumer resistance are as formidable as in other industrial sectors. The current economic recession exacerbates the impact of these problems. Businesses clearly need to devise strategies in order to surmount these obstacles, and thereby to accelerate the rate at which they are accumulating capital.

Business Practices on the Witwatersrand, and their Effect on the Rhythm of Accumulation.

The general effect of business activity in the Witwatersrand townships has been to accelerate the rhythm of accumulation in the provision of residences to Africans. Between 1982 and 1985 accumulated capital in both the private market and state contracts (see tables 1, 2 and 3) grew by 164% - in the same period total annual turnover on the private market increased by more than 745% (see table 1).

During the years 1982, 1984 and 1985 a pattern emerged whereby the top one third of development companies came to control on average 65,1% of capital turned over in the private market (see table 4). With the exception of George Wimpey, all these companies increased their turnover in the period 1982 - 1984|5 (see table 5). In addition there appear to be a host of other companies which, although less involved, are nevertheless making a not insignificant contribution towards total capital turnover. In 1983 they accounted for 51,8% of turnover. During 1982, 1984 and 1985 their average annual contribution stood at 34,86% (see table 5). Included in this group are some smaller African building contractors. Some of these build to contract or speculate, as the case may be. For example, between 1983 and 1984 40 sites were allocated to 10 such builders in Vosloorus. Included in this group were H and T Construction, Sefatse Contractors (both of Vosloorus) and A Masondo (of Katlehong) (Interview 22). By October 1984 25 units had been built and sold. Other small African concerns are: Siyasana, the Tembisa Construction Company and Fritz Construction Company (Interview 14).

There are also a number of small African entrepreneurs in the field of building materials and components. For instance, in Soweto alone, there are 19 hardware stores, while Daveyton has a dealer in building materials. Kwa Thema has two brick makers and a plumber (Aubert and Bristow, 1984: 25; 42; 57). The appearance of these petty accumulators and others was made possible by the reforms to existing legislation referred to earlier. Going hand in hand with these was the establishment, in March 1979, by Anton Rupert, one of South Africa's leading capitalists, of the Small Business Development Corporation (SBDC), the aim of which is to lend assistance to small businesses in commerce, industry and services (SAIRR, 1980: 248). In 1981 the SBDC established its first industrial park in Orlando West, Soweto. It was occupied by 34 small businesses, many of them accumulating capital directly in the building materials and components industries (SAIRR, 1983: 129). By 1984 another industrial park had been established in Dobsonville. The Urban Foundation has developed a third park in Katlehong (Aubert and Bristow, 1984: 44; 54).

Morris (1981: 130) explains that the following problems were being encountered by these small businesses:

"Most builders had previously been working for white contractors and their knowledge of making tenders, obtaining finance and sub contracting is limited. Those builders who work directly for a client usually sell their labour only, requiring the client to supply all building materials. Few have access to loan capital and cannot offer credit facilities to clients. Payment is required before or during the building operation. The co-ordination of several sub-contractors by a general contractor is rare. Some builders have unreliable reputations and there is no system for identifying reliable ones"

These problems suggest that the base of accumulation by these firms is perhaps precarious and unstable.

Additions and alterations and self help schemes appear to be an important area of business activity on the private market, albeit less significant than conventional housebuilding. Between 1981 and 1983 3600 plans for additions and alterations were approved in Soweto alone, totalling a sum of R35 million (Aubert and Bristow, 1984: 39). Currently there are two self help projects on the Witwatersrand: one in Katlehong and one in Soweto. The former scheme covers 472 sites. There are 260 houses which are in the process of being completed, involving a total investment of R3,9 million (representing 4,5% of the national total). The latter scheme is at Naledi and covers 3000 sites. Currently 1089 houses are in the process of being completed, involving a total investment of R15, 2 million (representing 17,4% of the national total) (Business and Marketing Intelligence, 1984: 126-127).

Business activity in this area is reportedly counteracting the shrinking building and property markets, according to the National Association of Home Builders (NAHB) (Sunday Times, 5/5/85). This appears to be borne out by the activities of the Schachat and Goldstein groups, both of which appear to have a ready alternative in this market. Schachat Homes (Pty) Ltd is a subsidiary of Schachat Holdings Ltd, through which it is linked to the Sage Group of Companies, a home building group which operates both within and outside the mass housing market (Business and Marketing Intelligence, 1984: 117). In 1974, and again during 1981, Schachat Holdings was a major contributor towards the profits of the Sage group (Star, 12/5/74; Rand Daily Mail, 3/9/81). Schachat Homes, in turn, is a significant contributor towards overall turnover of Schachat Holdings Ltd. In 1984 the company turnover was approximately R5 million. In 1985 it is expected to reach R14 million, and R20 million by the end of 1986 (Interview 12). Considering that the total turnover of capital in Schachat Holdings is expected to stabilise at R100 million per annum (Interview 12), Schachat Homes will be making an important contribution of 20% towards overall group turnover.

Gough Cooper Homes (Pty) Ltd is another large development company linked into a corporate group structure which is headed by SM Goldstein Ltd. As the African home building section, Gough Cooper Homes makes the major contribution towards the group's wealth. In 1984 the Goldstein group turned over R218,9 million worth of capital. Its pre-tax profit stood at R9,2 million. Gough Cooper Homes contributed 18,2% towards overall group turnover and a massive 57,4% towards pre tax profit. In 1983 the figures were 22% and 53% respectively (Registrar, 052955706).

Some foreign firms might also view involvement in the African residential building industry as a way of increasing turnover during a recessionary business cycle. The world recession has had such a negative impact on the business activities of George Wimpey - a multi national company involved in the building industry - that company personnel are seriously examining the African market in South Africa as an alternative (Interview 13).

Access to Capital Resources:

A preliminary analysis reveals that access to large capital resources is a sine qua non for companies which dominate this field. Nowhere is this more evident than in the electrification and upgrading schemes. The reasons for this inhere in the economies of scale involved in these activities. The construction of access roads and the installation of water, electrical and sewerage systems across entire townships is an activity which involves a degree of capital outlay prohibitive to the smaller general building contractor. Furthermore, the latter activities also involve specialist engineering and electrical skills which are not normally available to the smaller concerns.

The electrification of Soweto was undertaken by Siemens and GEC Power Distributors, companies backed by a relatively large amount of fixed assets. The GEC group consists of 10 subsidiary and four associate companies, and covers a broad range of industrialised manufacturing activities from machinery through engineering to electric appliances and transformers (General Electric Company, 1979). GEC Power Distributors has installed 50 sub stations in the Soweto scheme - worth R17 million (Rand Daily Mail, 23|3|80). Another company involved in the Soweto electrification scheme was Brown Boveri South Africa, a subsidiary of the giant Swiss electronics multi-national of the same name. It received the contract for the six sub stations of Greater Soweto (Argus, 22|1|81). These corporate interests are not only represented at the level of main contractors. Some subcontractors also have access to group assets. AEG Telefunken is one such case. It was awarded a contract worth R2,5 million for switchgear panels and the erection of five substations in the Soweto electrification project (SA Builder, 10|1980: 41). A further example is Asea Electric (South Africa) Ltd. Asea tendered R520 191 for the production of transformers for the Daveyton electrification scheme (Boya, 1984c; 1984d). During 1981 it was awarded a series of subcontracts for the Soweto scheme (Argus, 28|1|81). As a direct subsidiary of Power Technologies (POWERTECH) it has access to the high technology electronics industry (Asea Electric (SA), 1983). Through the GEC Group and Asea the larger corporate groupings appear to dominate the supply of electrical components to African township electrification schemes. A third example of a subcontractor linked to a corporate group is the African Development and Construction Company (AD and CC), a subsidiary of the National African Federated Chambers of Commerce (NAFCOC) and of Roberts Construction. AD and CC won the contract for building work on the main receiving station at Soweto and for the substations at Diepkloof, Mofolo, Zola, Mapetla and Moroka. The contract included the associated domestic, electrical and plumbing installations and was valued at R1,4 million (SA Builder, 10|1980: 41).

Depth of capital resources also appears to be a necessary condition for the relatively large turnover of capital by some of the top third of development companies. The reasons for this are threefold. In the first instance these companies seem to require large amounts of capital as financial cover for the immediate labour, materials capital depreciation, insurance and financial costs incurred in the undertaking of large scale homebuilding - the cost merely of providing infrastructure is R5000 per unserviced stand, and must be borne initially by the developer (Williams, 1984). Secondly there are costs incurred in administering and organising the building and selling of houses for Africans. Finally, because many potential homeowners do not have the funds to pay for their own houses, development companies require building societies to supply sufficient money to fund the buying of houses (Williams, 1984).

A top company such as Schachat Homes has access to relatively large amounts of fixed capital. One of its parent companies, Nedbank alone can call on assets of R12 825 million. As at December 1984 the liquid assets of another major holding company, UAL, was R53,5 million. The Sage group

of companies, to which Schachat Homes belongs, can itself call on R32,7 million in liquid assets (Financial Mail, 24|5|85: 392).

Gough Cooper Homes (Pty) Ltd, another of the top third of African housing development companies on the Witwatersrand, also has access to relatively large assets. It is part of a corporate group headed by SM Goldstein Ltd. Ranked as the 99th largest company in South Africa, SM Goldstein has assets exceeding R115 million.

The importance of adequate financial resources is underlined by the effect on George Wimpey of a shortage of finance. This appears to be a major reason for its very limited involvement in this market. Wimpey, a general housebuilding company operating in the white, coloured and Indian areas, started in the African housing field in 1981. It confined its activities to Soweto. By 1984 it had completed a total of 540 houses there. Its peak year, 1982, yielded a turnover of R6,5 million - still less than 20% of total company turnover (Interview 7). Wimpey required financial cover for 18 months, during which period it was buying and servicing the land, building the structures, and selling the houses. It was only after this that it could expect repayment on investments. Partly because its British holding company was unwilling to loan it the finance, and partly because there was a delay of up to 9 months between bond application and registration with the building societies, Wimpey found itself unable to cope financially. It does not possess the influence necessary to accelerate the process whereby building society loans are granted (Interview 13).

Marketing Techniques:

It appears that some firms which dominate this market might do so not only because of their access to superior capital resources. By engaging in certain marketing techniques with prospective homeowners and their employers they could conceivably be expanding their share of the market. Perhaps the 132% increase in the turnover of Schachat Homes between 1984 and 1985 (see table 5) is also indicative of this. Schachat's special sales consultants make themselves available to clients over the weekends in order to satisfy their needs. Its houses incorporate various levels of specification to suit the client's requirements - while allowing for personal preference in respect of floor finishes, wall tiles and built in cupboards. Furthermore, it claims that the design of its houses attempts to incorporate "the traditions" of the urban African communities. The prohibitive cost of housing makes it almost impossible for the potential homeowners to attain their objective without some form of assistance from their employers (be they from the private or public sectors). Schachat Homes regard it as a task for the development company to motivate the employers to assist these housing schemes (Williams, 1984).

The view that marketing technique is an important factor in the growth of businesses involved in the building and allocation of residential buildings for Africans, is supported by the fact that several of the less successful companies failed to pay any attention to influencing the tastes of their consumers(Interviews 7 and 13). Indeed, in the opinion of personnel involved in this field, this was the primary reason for one company closing down their operations in the private market in 1983 - barely four years after having started. During this period it constructed approximately 100 houses in Daveyton, 150 in Kwa Thema and Springs, and 100 in Soweto. Many people experienced difficulties in raising loans to cover the cost - approximately R17 000 per unit. A further problem was the fact that residents rejected the monotony which they perceived in the style of the newly constructed houses (Interview 17). This company is currently focussing on the area of mass housing, arguing that business is more profitable when it is involved in the construction of multiple units (Interview 6).

Paying attention to individual clients is, however, not a sufficient condition for successful business activities. This is clearly demonstrated in the performance of a relatively new company which started operations in 1983. Its business is premised on the attitude that one has to have rapport with "the people on the ground" in order to determine their needs. In spite of the relatively cheap core house which it has designed - R8000 for two rooms and a central bathroom - the extent of its business activities remain rather limited. In the space of one year it has built only 10 houses and 5 shops (most of these being in Daveyton) (Interview 17). A lack of capital resources resources is not necessarily the only problem facing this firm. It does not appear to have the influence with the bureaucrats in order to facilitate the flow of business.

Political Influence:

Access to large capital resources and the use of sophisticated marketing techniques do not guarantee the successful prosecution of business in the African residential building industry on the Witwatersrand. Companies also seem to require political influence at both local and central government level in order to capture a significant share of the market. Political influence here refers to the effect of the practice of social power, both through conventional and irregular procedures.

Land in African townships is still "de jure" owned by the central government, according to existing conventions. Nevertheless, political practices aimed at restructuring social relations in the townships have resulted in local councils on the Witwatersrand increasingly assuming more control over the disposal of this land (Williams, 1984; DCAD, 1984). Aplications have to be made to the black local authorities for land before building can commence. The normal procedure is for applications to be made in writing to the respective councils. For example, during 1982 Concor Homes, Long Homes, Dzinga and Nzama and Associates, LB Mahlangu Builders and AD and CC all made written applications to the Daveyton Community Council for sites on the "426 scheme" (Daveyton Town Council, 1984b).

Strong obstacles within the councils, to the allocation of land to some private businesses, often necessitate a more effective approach than the written application. Business personnel claim that many councillors on the Witwatersrand are illiterate and "naive", and that as a consequence they do not understand the procedures involved in the formal application for and allocation of sites. This delays the allocation of stands. Nevertheless a well informed albeit small group of councillors is said to exist (Interviews 19 and 23). The strategy of certain firms is to attempt to influence this group. On 13th October 1984 a director of a private development company addressed the councillors present at the annual conference of the Urban Councils Association of South Africa (UCASA), the umbrella body of many of the new black local councils. He devoted the latter part of his speech to a detailed explanation of both the fiscal and bureaucratic imperatives involved in the actual processes of developing and selling property in the townships (Williams, 1984). Another company, which has also concentrated on developing relationships with some local councillors, employs an African person for this role. He claims that a sympathetic local council assisted him in obtaining a share of stands in the face of competition from rivals. He has also been appointed to UCASA as an "expert" on development and as an analyst of the housing situation (Interview 19). Corroborating evidence for the existence of this practice comes from Mr A Rabie, ex director of housing on the West Rand Development Board, who claims that the company is using a "blatantly political way" of gaining access to the market (Interview 18).

A further example of effective influence on a local council is the presence (during September 1982) of a company employee on a township

housing development committee. According to a community councillor, this committee had been established in order that he and fellow councillors could have the opportunity of working with township developers and thereby coming to understand the intricacies of housing development (Daveyton Community Council, 1982). The committee subsequently ratified the allocation of stands to particular company.

The problems experienced by another company with respect to a particular counci's stand allocation practices is further evidence of the obstacles presented by some councils - and the need for companies to devise strategies to surmount these. The latter decided to allocate only five stands at a time, and to demand that the company have built and sold these houses before receiving the next batch of stands. Furthermore, there seemed to be no guarantee that the next five stands would be forthcoming. The firm told the council that it could not operate in this manner. Informal influence and formal representations to the council eventually led to a change in council policy. Underlying this policy there appeared to be a desire to allocate relatively more stands to African builders than to companies controlled by white people - the latter being regarded with a certain amount of resentment.

Accusations of nepotism and corruption within the councils have also been made by an employee of a firm which has still to achieve the relatively large turnover of capital of some of the top third of development companies. The firm applied for the allocation of two parcels of land, one of which appeared to be ideal for residential development. This part was allocated to the a group of companies owned by a prominent African businessman, while that allocated to the company suffered severely from rock formations, rubbish dumps and quarry excavations. Its dealings with another council led the company to conclude that many of the council officials were corrupt (Interview 7).

Several companies claim that wielding influence over the local councils does not by itself ensure the continuation and expansion of their business activities - firms also have to overcome the strong obstacles allegedly posed by some development board personnel. Some of these officials have been accused of stimying business opportunities in the Witwatersrand townships by slowing down the processing of necessary documents (Interviews 19 and 23). It is, for example, said that the registration of 99 year leases can take anything from three to six months (Interview 19). "Petty sabotage" by development board officials has also been mentioned as a stumbling block for business operations. One might, for example, require a sewer connection, only to discover that board officials are unwilling to provide it (Interviews 5 and 17). Some development board officials deny these allegations. Officially it is claimed that the papers for 99 year leasehold are processed within a maximum period of 10 days, at which stage a temporary right to leasehold is issued (Interview 10). Complaints about delays are seen as being unreasonable because, it is argued, the movement of documents "naturally" takes time (Interviews 2 and 15). Notwithstanding these denials, allegations of development board officials attempting to sabotage housing projects are so widespread on the Witwatersrand (Interviews 5, 7, 17, 19 and 23), that they must be taken into account. Indeed, it is unlikely that these officials will admit to such practices. In the light of recent changes in state housing policy they would clearly be seen to be breaking the rules. Clearly, there are definite ideological reasons for more conservative officials to oppose the direct penetration of the townships by private capital. Not only does this process restrict their administrative function. It also presupposes the lifting of some restrictions on the movements of the residents. That such conservative ideological viewpoints are still in force within the East and West Rand Boards, is suggested by the crude reference of a white official to a member of his town council as a "kaffir" (Interview 8).

At a local level companies claim to have overcome some of these obstacles through a combination of two strategies: influencing personnel within the boards themselves and allying themselves with local councillors against the boards. White officials working for one council in Soweto are said to have accepted payment "for favours" (Interview 7). Officials seconded to the Soweto council are alleged to have accepted bribes during 1983, before providing a sewerage connection (Interview 17). The above mentioned are examples of an influence over officials seconded to the local councils. More important effects seem to have been achieved through winning the sympathy of officials in the upper echelons of the East Rand Development Board. A prominent company, for instance, claims to have a close working relationship with the board's directorate (Interview 23). It acknowledges that there is a genuine desire on the part of this development board to give effect to the "new dispensation". However, it remains incumbent upon this developer to push aggressively his requirements with the relevant officials. This firm's account of its relationship with the East Rand Board is corroborated by an employee of another firm. According to the latter, the board favours the former by processing its 99 year leasehold applications within 10 days, whereas, if board officials dislike a particular company they can take anything up to 24 months to register its applications (Interview 19). In contrast to their relationships with the East Rand Development Board, several of the top companies have experienced senior officialdom of the West Rand Development Board as being particularly unhelpful. One firm steers clear of the West Rand board "because they take too long" (Interview 13). Others report that the board's director, John Knoetze, is intransigent in the face of their appeals. Due to this problem these companies simply sidestep the board and work with the local councils (Interviews 7 and 23).

On the Witwatersrand several of the "mayors" of these new institutions have decidedly antagonistic attitudes towards the East and West Rand Development Boards (Interviews 3, 11, and 19). In respect of the housing function the conflict appears to centre on the issue of acquisition and control of land and housing stock. The boards want to maintain their hold as custodians of the land, despite recent legislative changes (Interview 3). Furthermore, board bureaucrats are also said to be blocking the flow of money going to the new local authorities in order to protect their own jobs (Interview 17). One example of this is the attempt by the chief director of one of the development boards to sell the board owned liquor stores to private businesses, thereby depriving councils of a valuable source of revenue. He announced this intention simultaneously with the presentation of the black local authorities bill, leading to speculation that he was attempting to further discredit the local councils (Interviews 3 and 19).

Perhaps the most insidious form of control which the boards exert is through their officials who have been seconded to these councils. One town council, for example, felt obliged to consult an independent lawyer for advice on a land issue, rather than the lawyers employed by the development board (Interview 3). These officials have also been accused of using their power to prevent the employment of African personnel on the councils. For example, on the East Rand there are 60 African graduates in public administration who are unemployed (Interview 19).

Some of the African "mayors" are, as a result of the above mentioned incidents, predisposed to accepting "aid" from private businessmen. For example, one businessman states that in 1983 he helped a township "mayor" and his council to resist the West Rand Development Board. The latter were apparently attempting to foist their redevelopment plans on to the council, without consulting the latter. He acceded to a request by the council to provide alternate plans. As a result the latter was able to demand of the board that redevelopment take place according to its directives. He characterised his relationship with this particular local authority as "you scratch my back and I'll scratch your back" (Interview

23). Similarly another company affiliated to UCASA in order to help the councillors resist the development boards. A spokesperson for this company claims to spend much of his time explaining to the local councillors their rights under the law (Interview 19).

Influential figures in central government posts appear also to have aided some companies in their attempts to limit the negative effects of the development boards on their business activities. One director claims to have had a sound working relationship with PG Koornhof, when the latter was still minister of Co-operation and Development, to the extent of being able to have a "purely instructional relationship with the East Rand Development Board" (Interview 23). These practices with central government figures appear to be aimed at limiting the scope of the development boards by enhancing the power and prestige of the local authorities. The prestige of the local authorities took a small step forward during October 1984 with the recognition by the central government of UCASA - the result of two years of lobbying by a private development company and the Urban Foundation (Interview 23). The development boards also exercise considerable power as the harbingers of certain information to the central authorities. By presenting "counter information" to sympathisers on the President's Council, another businessman hopes to nullify the efforts of the boards (Interview 19).

Influence at central government level is not merely a way of surmounting the obstacles posed by intransigent development board officials. It also helps companies to surmount other bureaucratic obstacles to the pursuit of their business interests. A sound relationship with the Surveyor General's office, for example, can expedite the approval of layout and general building plans (Williams, 1984). One firm claims that through the "good offices" of Koornhof and Morrisson (the former's deputy in the department of Co-operation and Development), it was able to secure the implementation of the 99 year leasehold system in Wattville, where it had been allocated several sites for building (Interview 12). Initially there had been opposition from the National Party MPs for Benoni and Boksburg. They had argued against the implementation of the leasehold provisions in what was a white group area (Interview 4).

The construction and financing activities of private businesses - shaped by government policies and practices - makes possible the provision of residences in townships on the Witwatersrand. Several of these businesses develop political practices in order to maximise capital turnover and profit. In combination with the policies and practices of the state, these practices have an uneven effect on the delivery of residences in the townships.

The Effect of Business Activities on the Delivery of Residential Buildings.

Progressively more residences are being delivered in the townships than during the early seventies. In 1970 3703, in 1971 1089 and in 1972 only 954 houses were built for Africans (SAIRR, 1976: 84). In contrast 2649 African residential buildings were built on the Witwatersrand during 1981, 2102 during 1982, 2881 during 1983 and 5919 during 1984. By the end of 1985 it is expected that a further 6129 will have been added to this stock of newly constructed structures (see Table 6).

These houses vary according to materials and to different standards. The majority of the newly constructed units which have been delivered in the last five years, and of those planned for 1985 and 1986, are built according to conventional standards. It is estimated that by 1986 22 067 of these conventionally built houses and flat units will have been delivered in townships on the Witwatersrand - sixty per cent of them being state provided (see Table 6). A relatively small number of units, in-

corporating cheaper materials and less stringent standards of construction, are being built according to the principle of self help.

New agents are entering the process whereby residential buildings, stands and infrastructure are delivered. The role of bodies such as the development boards, is being limited to the provision of hostels (for section 10 1 (d) migrants), and the provision of some of the bulk and link infrastructure. The black local authorities are becoming involved in the direct delivery of unserviced stands. Major upgrading and electrification is being organised and provided by private companies, on contract to either local councils or development boards. Private development companies are delivering residences directly to some residents and indirectly to others - the latter being the case when these companies build on contract for the local state apparatuses. As a result of the sale of state owned housing stock, private landlords are emerging as providers of some accommodation in the townships.

In line with the state's influx control policy, only African people with permanent urban residential qualifications are eligible to own or let houses. This is in line with what appears to be an important feature of the overall thrust by those elements in the Botha administration who are attempting to restructure the status quo in the townships: the improvement of "the quality of life" for urban Africans.

Public statements to the contrary notwithstanding, construction and development companies, and building societies, are unable to overcome the massive African housing shortage. During 1983, one source estimated this to be 160 000 units (SAIRR, 1984: 264-268), while another claimed that on the Witwatersrand alone the building backlog stood at 220 000 units (Interview 23). During the last five years an average of only 5476 houses have been built annually (Hendler, 1985). At this rate it would take 30 years to wipe out the existing backlog - and much longer if one took into account increases due to population growth. Some development companies active in the African townships admit that private capital alone can do very little about the shortage of African houses. They argue that some form of state intervention is required because most residents cannot afford to own their own houses (Interview 17). The apparent inability to satisfy the demand for houses through market mechanisms, reflects fundamental barriers to the accumulation of capital in the African residential building industry. As one businessman observed

> "there is not the slightest hope of us housing our population. The gap will only widen. ... Government can't afford to build those homes. Private enterprise can only cater for a very small percentage of the population. On the Reef there is an unsubsidised bond situation. Private enterprise cannot help any family with an income of less than R1 500 per month. Five per cent of the population can afford this" (Interview 7)

Economic Barriers to the Accumulation of Capital.

Capital accumulation in the residential building industry appears to be limited by the inability of the majority of African workers to afford the costs of even the cheapest of housing units. This is especially true of conventionally delivered houses. The current cost of erecting the 51/9 and 51/6 "matchbox" structures (arguably the cheapest serviced unit) is R18 500 - including R6000 per site for installing an infrastructural matrix of water pipes and sewerage disposal channels in the ground beneath the built superstructures (Williams, 1984) and R12 500 for the superstructure itself (Interview 23). At current rates of interest the monthly instalments required to pay back an 80% bond (R14 700) over a period of 30 years would be R237 (Interview 21). In order to qualify for a loan a potential homeowner would have to earn at least R948 per month because

of building society reluctance to aid breadwinners when the instalments exceed 25% of their monthly income. Most African breadwinners, given their monthly salaries and subsistence costs, cannot be realistically expected to save the R237 on a monthly basis, let alone find the R3 700 required as a deposit. During 1980 more than 67% of African breadwinners were earning less than R189,35 (Population Census 02-80-03, 1980: 275-276), the calculated average household subsistence costs for an African family of six in the major urban areas (SAIRR, 1980: 84). In 1982 more than half of residents in Soweto, arguably the wealthiest African township in the country, earned less than R277, the calculated monthly cost of living for a family of six Sowetans (Potgieter, 1982; Republic of South Africa, 1982: p64; para 3.3).

The building society rule would have excluded 97% of the economically active African population in South Africa during 1980 (Population Census, 01-80-03, 1980: 275-276) and 98% of Soweto residents in 1982 (Republic of South Africa, 1982: p64; para 3.3). As any salary increases since 1980 are more likely than not to have been offset by inflation, it seems reasonable to regard these figures as a fairly accurate description of the current situation. The vast majority of those who purchase their homes on the private market are able to do so because they are government employees who receive a 65% monthly subsidy, in addition to a 100% bond (Interview 18).

The reasons for the relatively high prices of the housing units appear to inhere in the particular capitalistic system of producing buildings. In South Africa the production of buildings is disaggregated over a number of industries. These are: building construction, building components, building materials, sub-contracting (i.e. electrical, plumbing, painting and decorating) and associated professions (i.e. theoretical and technical production by architects, draughtspeople, engineers, land surveyors and quantity surveyors). The particular prices of the housing units are produced through the different ways in which the following elements combine in the production processes of the above mentioned industries: the prices of the materials and fixed capital (c); the price of labour power (v); and the profit (p).

The problem of affordability is not limited to conventionally built and delivered houses. A recent report on housing (Human Awareness Programme, 1984), using certain affordability criteria, observes that the costs of participation in the unconventional, low cost self help schemes exclude an average of 96% of the inhabitants living in in the prescribed areas. In the case of homeland schemes the figure drops to 73,3%.

In spite of the large saving made on labour, the cost of self help dwellings - as is the case with all buildings - is influenced profoundly by the industrialised production of materials and components. In South Africa the extent of this influence is revealed by the fact that in 1982 materials and components contributed 54% to overall value composition of all buildings (BIFSA, 1983a: 52). The influence can also be seen in the building form itself and in the labour processes and technology which makes building what it is at present (Ive and McGhie, 1982: 3/16; McGhie, 1982: 3/22; Gravejat, 1982: 2/11).

The recently implemented, and relatively cheap, state homeownership scheme is likewise foundering on the rocks of the affordability crisis. Despite the euphoria which greeted the announcement of this scheme in mid 1983, available financial data suggests that a fairly large proportion of Africans are unable to enter the ranks of homeowners (Mabin and Parnell, 1983: 153). By the end of 1984 only 14 727 houses in this scheme had been sold (Interview 20). The total number originally available was approximately 350 000 (SAIRR, 1984: 270).

The reason for the relatively high prices of these state owned houses is the principle of financial self sufficiency which still governs the allocation of resources to the African townships, despite a radical deterioration in their finances during the 1970s (Bekker and Humphries, 1985: 162-163).[7] Revenue from this sale represents a surplus because state loans for the construction of most of these houses have been redeemed through the collection of house rentals over the last 25 years. As far as the state is concerned this surplus is a contribution from the African communities towards the provision of new houses, maintenance of existing units, and provision and upgrading of infrastructure (DCD, 1983).

The effectiveness of the *apartheid* housing policy lies perhaps not only in its ability to deny shelter. It also seems to conceal fundamental economic barriers to the accumulation of capital in the residential building industry. The academic and political literature reflects this by concentrating exclusively on political limitations to the provision of African houses. According to these perspectives it is the political system of *apartheid* which lies at the root of the housing question. The state is seen as being responsible for the inadequate provision of shelter in South Africa, and it is the state which is called upon to supply dwelling units.

Conclusion.

Recent analyses, due to a lack of empirical detail and a focus on housing as a means of reproducing labour power, have led to several misconceptions of the African housing situation. Foremost among these is the characterisation of the state's housing policy as a mere ideological smokescreen without any basis in reality (Labour Research Committee, 1983b: 9-12). State housing policy cannot, however, simply be reduced to the status of myth. Recent changes in policy have led not only to increased expenditure on the building of houses and the provision of services and township infrastructure. By effecting new objective social stratifications in the townships, they also dovetail with other aspects of attempts to improve "the quality of life". One emerging stratum is the small sector in the building construction and related industries. Another is the fledgling real estate sector. Home owners and tenants form other strata.

The dismissal of the state's attempt to devolve more administrative power to the third tier of government (i.e. the local councils) (Bloch, 1982; Labour Research Committee, 1983b), is equally simplistic. On the Witwatersrand at least, these bodies are agents for the delivery of residential stands, a significant aspect of the delivery of residential buildings. The final chapter on the black local authorities has not yet been written, even though they have little popular support.

A third misconception is the view that housing policy is formed exclusively through a conflict between the state, capital and workers over the the level of consumption of the labour force (Mare, 1980a; Wilkinson, 1981b). The evidence suggests that firms involved in the building and allocation of houses are also having some effect in the formation of state housing policy - the accumulation of capital being their motive.

In fact, attempting to effect policy changes is one of a number of business practices in the provision of residences in townships. These practices are profoundly influenced by other social practices. The plethora of laws, dating from the *Verwoerdian* era and before, and some of the bureaucrats who administer them, are obstacles to the achievement of business objectives. Business practices are also shaped by the housing functions of the Black Local Authorities, with whom private business is obliged to liase in order to secure land on which to build.

The black local authorities are involved in

a direct political conflict with conservative bureaucrats for greater autonomy. In a bid to avoid bureaucratic pitfalls several companies wield political influence at both central and local government level. Violent social struggles between local agents of government and extra-parliamentary groups, in addition to the internecine conflicts between the development boards and the local councils, mean that development companies are thrown willy nilly into a political maelstrom.

Business practices are not only effects of political struggles. They also embody the social production of shelter. Furthermore, the contours of these practices are drawn not only according to exigencies internal to the construction process. As a particular area of accumulation, the building and allocation of residential buildings is linked to other sectors of the national economy. Accordingly, business practices are also effects of the rhythms of accumulation in other sectors of industry. The low African wages paid by most industries, and the relatively high cost of producing shelter in the economy of present day South Africa, presents a major barrier to the accumulation of capital. Therefore, the potential for success is greatly enhanced by access to relatively large scale financial resources.

Notwithstanding the achievements of some businesses in increasing turnover, as well as in effecting policy changes, it appears that fundamental economic barriers to the accumulation of capital lie at the heart of the African housing question. A fundamental reallocation of resources might be a pre-requisite for a thoroughgoing solution to the immense shortage of shelter. A consideration of the allocation of resources to housing can hardly ignore an analysis of the efficacy of the capitalistic nature of the construction and related industries. Indeed, whether a reallocation of the necessary magnitude is possible within the confines of a capitalist economy is an important political question.

REFERENCE NOTES.

[1] Figures which have been compiled by the author suffer from certain limitations. They cover neither all the African townships on the Witwatersrand, nor all the companies involved. Therefore they are not comprehensive. Certain sources did not indicate the costs of the dwelling units. The author made calculated guesses about these costs. This guesswork was informed by the following facts. Key personnel in this sector of business activity generally accept that the average price of houses referred to as "core", "shell" or "low cost" is R10 000 per unit (including the installation of infrastructure) (calculated by the author from Aubert and Bristow, 1984, and Interview 23). When these were the type of houses referred to, the author assumed the above-mentioned price. In cases where no indication was given as to the type of house being constructed, the author assumed this to be the basic four roomed 51|6 or 51|9 house. At current prices these cost approximately R20 000 per unit (including the installation of infrastructure). This is likely to be an underestimate because the majority of companies do not provide housing of such a low standard. Certain companies have indicated that they specialise in building units in a particular price range. Schachat Homes (Pty) Ltd, for example, tend to sell houses costing between R25 000 and R40 000. Gough Cooper Homes (Pty) Ltd tend to produce units costing between R40 000 and R50 000. In the appropriate cases the author assumed the median between these limits to be the unit cost of a batch of houses for which no prices had been specified. This information does have some value, despite these limitations. There is evidence of a certain degree of accuracy. Several of the sources confirm each other. In no instance does any one source contradict another. Furthermore, the trends revealed in these figures confirm the perceptions of key personnel in this sector of business activity. In the absence of statistically reliable studies these figures are arguably useful indicators of certain trends.

[2] In January 1968 the department of Bantu Administration and Development sent a directive to local authorities stating that Africans living in the prescribed areas should no longer be allowed to build their own homes on 30 year leasehold plots, or to purchase houses from the local authorities - they would in future be entitled only to rent houses (SAIRR, 1979: 167).

[3]

> "Following the Viljoen Committee's recommendations on ways of dealing with the housing shortage, the government in 1983 revised its housing strategy. In future its own role would be limited to providing infrastructure and services, but housing only for lower income groups (those earning below R150 per month); Africans should increasingly pay for the provision of housing, using in particular their 'sweat equity'; and the private sector should play a more important role in providing housing. In addition, to facilitate an increase in housing construction, the government revised its housing standards, accepting the principles of core and shell housing and of site and service schemes" (SAIRR, 1984: 268).

[4] The Black Housing Board was established in terms of section 8 of the Housing Act of 1957 as a separate structure for dealing with African housing. The abolition of the board in 1979 was in line with a recommendation in the Riekert commission that the subsidisation of lower income African housing should be put on the same basis as that for other population groups .

[5] Self help schemes are usually of three types. In the site and service schemes some standard of service is supplied to the plots, and owners are expected to construct their own dwellings. Services differ from area to area, depending on the rules and regulations of local authorities -

they may vary from a tap every 200 metres and a bucket latrine system for every site, to a wet wall with a tap, waterborne sewerage and electricity. Controlled self help schemes involve a greater degree of control over the type of dwelling erected and the time period of construction, by the implementing authority. Here the owners can either build the house themselves, be assisted by the controlling authority, family and friends, or subcontract in varying degrees. A major portion of self help schemes in the white urban areas comprises the third type of self help namely, starter housing. This involves: either a unit core or basic shelter with ablution facilities, which can be extended later; or a shell house which is a fully habitable dwelling without finishes, fittings and some internal walls, which are provided by the household as funds become available; or a roof first system, which provides the roof and basic support only - excluding even walls (Business and Marketing Intelligence, 1984: 123-125).

[6] It was obvious, from their inception, that the community councils had failed as a means of stabilising the urban townships - the low percentage poll in Soweto (6%) and other major urban areas was evidence of the massive rejection of the councils (Bekker and Humphries, 1985: 104). Similarly the newly established black local authorities also lack any meaningful electoral support.

> "In the election of November-December 1983 the overall poll was 21% (compared with 30% in 1978). In Soweto it was 10,7% (against 5,9%) in 1978" (SAIRR, 1984: 258; 259)

[7] Bekker and Humphries argue that at least three factors account for increases in the expenditure on African townships - the effects of inflation on the cost of providing services, the commitment to improve facilities, particularly during the late 1970s after the 1976 unrest, and, thirdly, the consequences of the ending of the direct and indirect subsidisation of these townships by the white municipalities.

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Interview 4 - with the chief executive officer of a village council, on 16th November 1984.

Interview 5 - with the director of a development company, on 21st November 1984.

Interview 6 - with an employee of a development company, on 12th November 1984.

Interview 7 - with an employee of a housing construction company, on 3rd December 1984.

Interview 8 - with an official of the West Rand Development Board seconded to a town council, on 4th December 1984.

Interview 9 - with an official of the East Rand Development Board seconded to a town council, on 24th October 1984.

Interview 10 - with an official of the East Rand Development Board seconded to a town council, on 16th November 1984.

Interview 11 - with a town councillor, on 4th December 1984.

Interview 12 - with an employee of a development company, on 24th October 1984.

Interview 13 - with an employee of a house building company, in December 1984.

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Interview 16 - with an employee of the Urban Foundation in Cape Town, in January 1985.

Interview 17 - with an employee of a housing construction company, on 3rd December 1984.

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Interview 19 - with an employee of a development company on 21st November 1984.

Interview 20 - with a researcher in Johannesburg, in April 1985.

Interview 21 - with an employee of a building society, on 13th July 1985.

Interview 22 - with an official of the East Rand Development Board seconded to the a town council, on 24th October 1984.

Interview 23 - with a director of a development company, on 6th November 1984.

List of Interviewees:

Local Government Officials

J Bezuidenhout.

T Boya.

Mr Buitendag.

Mr Ferreira.

Mr Fourie.

Mr Joubert.

S Kgame.

Moolman.

Private Sector Employees:

M Mourne-Brown.

W Packham, an ex employee of Concor Homes
currently director of Siyasana.

A Rabie, an employee of Gough Cooper Homes.

C Sandhile, an employee of Econo Homes.

J Schindler, an employee of the SA Institute of Race Relations.

Mr Slade, an employee of the United Building Society.

A Williams, a director of Schachat Homes.

K Dijkstra, director of Econo Homes.

Mr Dreyer, an employee of Concor Homes.

J Fair, an ex employee of George Wimpey
currently employed by Alfred McAlpine.

A Lebish, an employee of Schachat Homes.

Mr McDougall, an employee of George Wimpey.

Table 1

Estimated development company investment in newly constructed African houses in townships on the Witwatersrand.

YEAR	TOTAL VALUE (R million)
1980	2,59
1981	4,22
1982	10,88
1983	23,93
1984	51,94
1985*	91,95

*Protected as at December 1984
Source: Compiled by the author from interviews and other sources.

Table 2

Estimated state investment in residential accommodation (including site infrastructure) in African townships on the Witwatersrand.

YEAR	HOUSES	FLATS	HOSTEL BEDS	SERV. SITES	TOTAL VALUE (R million)
1976	283+	-	-	-	3,77
1977	-	-	-	-	5,90
1978	-	-	-	-	1,60
1979	-	-	-	-	9,55
1981	2400	-	1500	-	66,20
1982	1359	-	1500	880	39,79
1983	1552	-	2128	2587	81,86
1984	1708	1274	-	4573	69,31
1985*	2177	707	-	4156	80,25
1986*	1827	420	-	1550	63,73

*Project as at December, 1984.
Source: Compiled by the author from interviews and other sources.

Table 3

Estimated state investment in general infrastructure (i.e. roads, sewers, water and electricity) in African townships on the Witwatersrand.

YEAR	TOTAL VALUE (R million)
1980	16,82
1981	61,03
1982	67,09
1983	121,23
1984	158,12
1985*	141,72
1986*	81,97
1987*	73,50
1988*	73,50
1989*	69,25

*Projected as at December, 1984.

Sources: Compiled by the author from interviews and other sources.

Table 4

Proportional share of private African residential market on the Witwatersrand by various development companies.

YEAR	PERCENTAGE OF COMPANIES	COMPANY TURNOVER (R millions)	COY TURNOVER AS PERCENTAGE OF GROSS AIM. TURNOVER
1982	33,34 66,66	7,43 4,65	61,50 38,50
GROSS 1982 TURNOVER		12,08	
1984	35,29 64,71	31,15 20,79	60,0 40,0
GROSS 1984 TURNOVER		51,94	
1985*	30,00 70,00	67,95 23,99	73,91 26,09
GROSS 1985 TURNOVER		91,94	
Average '82, '84, '85	32,88 67,12	35,51 16,48	65,14 34,86
AV. TURNOVER '82, '84, '85		51,99	
1983	36,36 63,64	13,94 14,98	48,20 51,80
GROSS 1983 TURNOVER		28,92	

*Projected as at December 1984.

The 1983 figures represent a discrepancy to the trend of the other years. One reason for this is that R12 m (or 41,5% of gross annual turnover) was attributed to unspecified companies.

Source: Compiled by author from interviews and other sources.

Table 5

Annual increases in turnover of the top third of development companies operating in the private African residential market on the Witwatersrand.

DEVELOPMENT COMPANY	VALUE OF TURNOVER IN R millions				% Incr. in value	
	1982	1983	1984	1985	1982-1985	1984-1985
Bilhard Development	-	-	-	29,00	∞	∞
Gough Cooper	1,98	5,25	3,43	18,14	816,0	429,0
Schachat Homes	-	5,00	8,98	20,81	∞	132,0
Econo Homes	1,90	-	4,42	9,19	384,0	108,0
AD and CC	0,96	2,00	3,93	4,20	338,0	6,9
Style craft	1,69	1,69	3,90	-	-	-
Concor Homes	1,19	1,19	5,00	-	-	-
Impact Homes	-	-	4,92	-	-	-
George Wimpy	1,86	-	-	-	-	-

Source: Compiled by author from interviews and other sources.

Table 6

Estimated number of newly constructed African residential buildings on the Witwatersrand.

YEAR	PRIVATE	STATE PROVIDED		TOTALS
	HOUSES	HOUSES	FLAT UNITS	
1980	140	-	-	140
1981	249	2,400	-	2,649
1982	743	1,359	-	2,102
1983	1,329	1,552	-	2,881
1984	2,937	1,708	1,274	5,919
1985*	3,245	2,177	707	6,129
1986*	-	1,827	420	2,247
TOTALS	8,643	11,023	2,401	22,067

*Projected as at December 1984.

Source: Compiled by the author from interviews and other sources.