

CHAPTER VII CONCLUSION

The aim of this discourse study was to plan for an appropriate housing policy for South Africa, that will have as its primary objectives, meeting the shelter needs of the poor.

It was therefore deemed necessary to firstly describe and then assess the public sector's current role in housing. The study concluded at the end of this section that the present subsidy scheme is inconsistent with the government's latest housing policy principles of providing the poor with access to a serviced site and supporting informal self-help initiatives. Furthermore, the amount of resources is also insufficient to encourage private sector involvement in low-income housing.

Secondly, prior to planning a policy framework to guide public sector spending, alternative housing finance proposals was explored. The Urban Foundation's Loan Guarantee Initiative, Pension Fund proposals and even the Group Credit Company are truly plausible, however, they rely primarily on the private sector. The Urban Foundation characterises a mere facilitative role for the state in the housing procurement process. This study argued (and recent "happenings" in the private low-income housing market substantiates this argument) that the private sector will not meet the shelter needs of the poor without public incentives. Because of the market imperfections in the South African housing market, (partly the result of apartheid policies), the State will have to intervene on behalf of the poor.

In the final instance, the study concluded that due to a growing lack of rental accommodation, the pervasive physical decay of inner-city areas, and the need of the poor to be near jobs, due to high transport cost, the State will have to play an interventionist role, both in terms of direct provision of social

rental housing, the provision of serviced sites and in the promotion of private sector investment in low-income housing. A policy planning framework to guide public sector funds in serving the needs of the poor was proposed in the last chapter.

However, it is necessary to draw a clear distinction between policy and strategy. The above policy framework can only establish the underlying principles and guidelines, leaving the application of the policy and the formulation of funding strategies for low-income housing to the government and the other parties involved.

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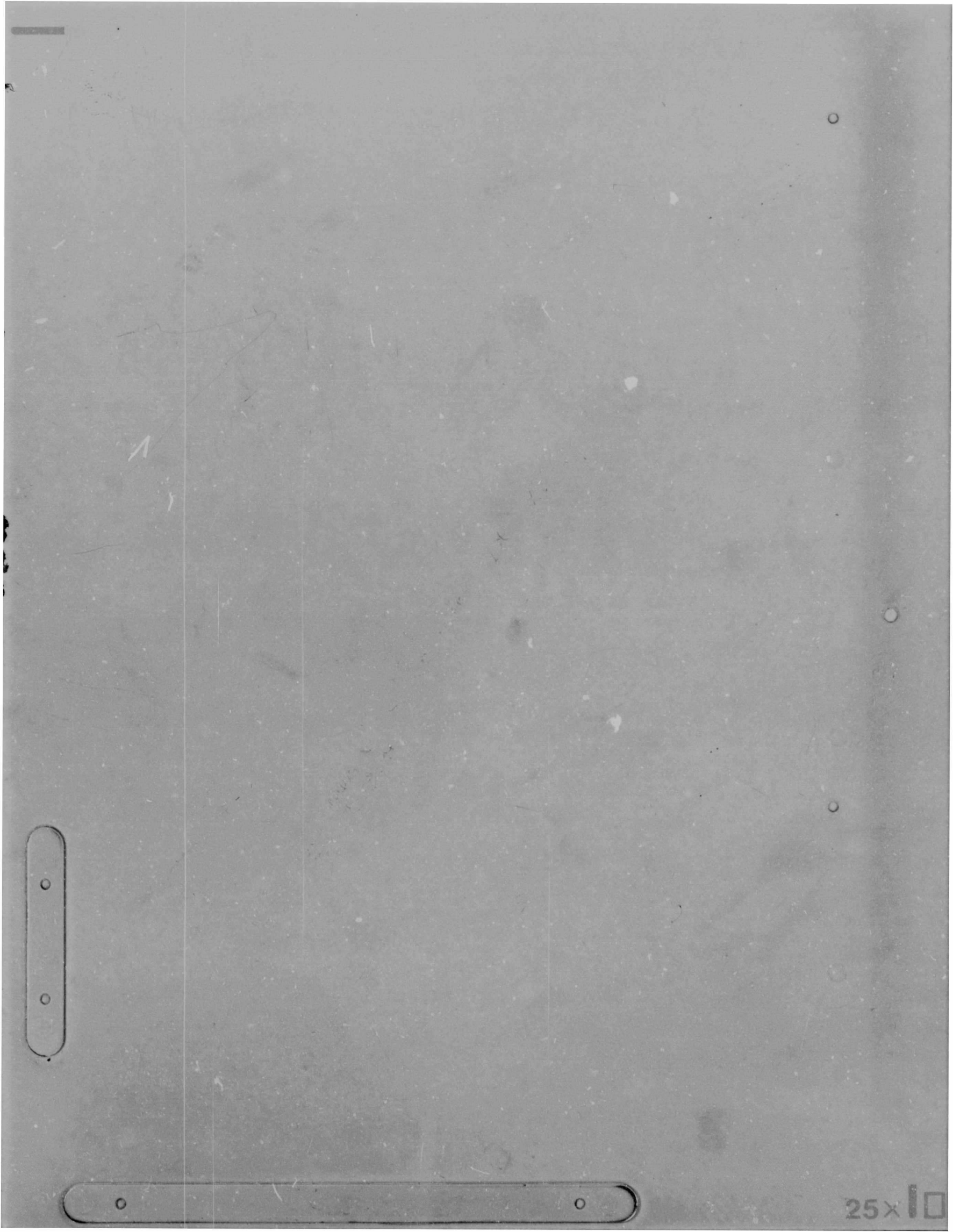
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